



# Claremont Housing Element Update FAQ's

July 2023

## 1. What is the Housing Element?

The Housing Element is one of seven state-mandated elements of the city’s General Plan. The Housing Element is a policy document that plans for the current and future housing needs of Claremont’s residents and identifies strategies for expanding housing opportunities and services for all household types and income groups, and includes a list of housing opportunity sites (i.e. sites for potential housing development to meet Claremont’s State-mandated housing targets). The timeframe for the current Housing Element Update is referred to as the “6<sup>th</sup> Cycle” and covers the period between 2021 and 2029.

## 2. Why is the Housing Element Update needed?

California State law requires that the Housing Element be updated every eight years in order to be reflective of the community’s changing housing needs. The current Housing Element Update is needed for the “6<sup>th</sup> Cycle” planning period, which covers the period from 2021-2029.

## 3. How many housing units does Claremont need to plan for in the 2021-29 cycle?

One of the fundamental purposes of a housing element is for a jurisdiction to demonstrate that it has a plan to meet its existing and projected housing needs for all economic segments of the community. The California State Department of Housing and Community Development (HCD) is responsible for determining the amount of housing that is needed to support potential growth and provide for safe and adequate housing for California’s existing residents. HCD assigns the total regional housing need to each of the State’s regional associations of governments through what is known as the Regional Housing Needs Assessment (RHNA). The housing need for the Southern California Association of Governments (SCAG), which encompasses Los Angeles, Orange, Riverside, San Bernardino, Ventura and Imperial Counties, for the 6<sup>th</sup> Cycle Planning Period is 1,341,827 units. Claremont’s “fair share” RHNA allocation for all income levels is described in the table below:

Income Category	Housing Need (6 <sup>th</sup> Cycle)
Extremely/Very Low Income (0-50% of AMI)	556
Low Income (51-80% of AMI)	310
Moderate Income (81-120% of AMI)	297
Above Moderate Income (over 121% of AMI)	548
<b>Total Units</b>	<b>1,711</b>

To accommodate the RHNA allocation, Claremont (and every California jurisdiction) must identify enough land suitable for residential use that could eventually be developed with housing. The City is also required to provide goals, objectives, policies and implementation programs to demonstrate how Claremont will meet the existing and future housing needs for all income levels of the community.

**4. Is RHNA a construction mandate?**

No. The RHNA is an accommodate goal, not a production obligation. While the City is committed to facilitating the creation of as many affordable housing units as possible, it has no control over the market. The Housing Element itself does not create physical residential growth in the city, nor does it mandate that owners of properties zoned for housing develop housing on their properties. The City must, however, ensure the availability of sites at adequate densities and with appropriate development standards to accommodate the RHNA. Jurisdictions are not required to build housing or issue permits to achieve their RHNA allocations, but if actual housing production falls short of the RHNA allocation, certain provisions of State law require that jurisdictions streamline review and approval of housing development applications that meet specific standards.

**5. Who will build the housing required by RHNA?**

Private developers, including for-profit and non-profit developers will be building housing; not the City. The City's role is to adopt a plan that provides opportunities for how and where housing development can take place. The Housing Element must also identify ways to better facilitate the production of housing by the private market in areas designated for new housing.

**6. What must Claremont do to comply with RHNA?**

The Housing Element is required to include an analysis of the city's capacity for additional housing based on land use patterns, development regulations, other constraints to development (such as infrastructure availability and environmental conditions), and real estate market trends. The analysis must be prepared at a parcel-specific level of detail and must identify properties (or "sites") where additional housing can be built in a manner that is consistent with City regulations. The analysis is required to demonstrate that the city has adequate capacity to fully accommodate its RHNA allocation for each income category. In Claremont's case, current zoning regulations do not provide adequate capacity to fully accommodate the City's RHNA allocation. The draft Housing Element Update identifies a total of 31 Opportunity Sites located in all parts of the city are identified in the draft HEU. A total of 27 sites would need to be rezoned to permit higher residential densities than currently allowed in order to potentially accommodate the City's RHNA units. In addition to the rezoning to accommodate adequate housing, the HEU's Housing Programs intend to conserve and improve the condition of the existing housing stock, bring the City into compliance with recently adopted State housing laws, promote housing mobility, help maintain the affordability of Claremont's existing housing stock, and promote fair housing.

**7. Will affordable housing be built on the Housing Element Opportunity Sites?**

By definition, housing is considered "affordable" when total housing expenditures exceed 30% of household's gross income. State law describes five income categories, which are based on a county's median income. The

income levels for Los Angeles County, based on household size, are provided below:

Number of Persons in Household:		1	2	3	4	5	6	7	8
Los Angeles County Area Median Income: \$98,200	Acutely Low	10350	11800	13300	14750	15950	17100	18300	19450
	Extremely Low	26500	30300	34100	37850	40900	43950	46950	50560
	Very Low Income	44150	50450	56750	63050	68100	73150	78200	83250
	Low Income	70650	80750	90850	100900	109000	117050	125150	133200
	<b>Median Income</b>	68750	78550	88400	<b>98200</b>	106050	113900	121750	129600
	Moderate Income	82500	94300	106050	117850	127300	136700	146150	155550

For example, the entry-level salary for a Claremont Unified School District teacher is approximately \$60,000 per year. The starting salary for an LA County Deputy Sheriff Generalist is approximately \$82,000 per year. The 2021 median household income in Claremont was \$111,937. However, according to Census data, over 33% of Claremont households are housing-cost burdened (meaning their housing expenditures exceed 30% of their gross income), including 50% of the City's renter households.

The RHNA and Housing Element Update process encourages the development of housing for all income levels. The State's legal requirements for Housing Elements presumes a correlation between density (i.e. the number of housing units per acres) and affordability, as higher density housing developments achieve economies of scale to result in housing options that are affordable to a greater segment of the population. HCD has identified housing at a density of 30 housing units per acre or more as that, which will result in more affordable housing options for suburban communities such as Claremont. There is not, however, a requirement for affordable housing associated with the Housing Opportunity Sites identified in the Housing Element Update. The Housing Element Update does not establish rental rates or sales prices, nor does it require the use of housing vouchers such as Section 8 or income eligibility verification. Ultimately, the type of housing built on these sites will depend on the housing market and the economy.

#### **8. Why are cities in high-cost areas such as Claremont expected to have affordable housing? With higher land costs, affordable housing is economically infeasible.**

State housing laws are based on the premise that every California jurisdiction must be able to accommodate a range of housing types for persons at all income levels. This premise is based on the fact that every community is dependent on a variety of low- and moderate-income workers in jobs such as child and elder care, building maintenance, hospitality and service, medical technicians, building maintenance, personal services, clerical support, retail, etc. While the City's existing housing stock serves the needs of many residents, housing prices and rents often exceed what working families can afford. This imbalance is exacerbated by the fact that low- and moderate-wage jobs have increased at a faster rate than affordable housing is being built.

State housing law and the RHNA process does not require that cities build new housing. Cities must, however, ensure that their land use regulations and housing policies accommodate and encourage a full range of housing types affordable to all segments of the population. Various governmental programs provide funding assistance for the development of affordable housing, but if a City's development regulations are too restrictive, affordable housing becomes less feasible and the housing needs of the local workforce will be shifted to other cities. This has the potential to result in a local jobs/housing imbalance, which in turn leads to increased traffic congestion

and higher greenhouse gas (GHG) emissions that contribute to global warming, and also results in less diverse communities.

**9. How does the Housing Element affect the properties identified as Housing Opportunity Sites?**

It is important to note that the RHNA allocation is an accommodation goal, not a production obligation. The City is not required to build housing or issue permits for housing units to meet Claremont's RHNA allocation. The City is required, however, to demonstrate and if needed increase capacity commensurate with the RHNA allocation of 1,711 units. In Claremont's case, this will require changing the zoning of the selected sites to increase the allowable residential density given that Claremont is largely a built-out community. Claremont has taken an "overlay" approach to the rezoning that is necessary to provide sufficient capacity to accommodate the lower-income units required in Claremont's RHNA allocation. In doing so, the existing uses on the Housing Opportunity Sites would not be rendered "non-conforming" and would be allowed to continue unimpeded until a housing development was potentially proposed. For other sites not identified as those that could accommodate lower-income housing development, the Housing Element proposes rezoning them to existing residential zoning designations in Claremont or proposes no rezoning at all. In no case would the City use eminent domain to "take" a selected property to develop housing to meet the RHNA allocation.

**10. What could happen if Claremont doesn't provide land for additional housing?**

Demand for housing in our city and in our region is high, while housing supply is low. In 2019, Claremont's vacancy rate for rental housing was 1.8% and 0.9% for owner-occupied housing. The consequences of insufficient housing supply include, but are not limited to, overcrowding in single-family neighborhoods, longer commute times and increased vehicular emissions due to a local jobs/housing imbalance, and the potential for increased homelessness as the naturally affordable housing increases due to pent-up housing demand and low-income individuals and households can no longer afford available housing.

There are also potential consequences if the City does not demonstrate adequate capacity to accommodate its RHNA allocation in the Housing Element. Without a Housing Element that is certified by HCD, the City is potentially vulnerable to "builder's remedy" applications where developers may propose housing developments that do not conform to local zoning regulations and may be inconsistent with existing neighborhood character and must be reviewed in a streamlined process. Without an HCD-certified Housing Element, the City is also ineligible for certain grant funds and may be subject to court-ordered fines.

**11. What are the implications of Californians for Homeownership's lawsuit against the City and what does it have to do with the Housing Element?**

In September 2022, the California Association of Realtors-sponsored non-profit group Californians for Homeownership filed a lawsuit against the City to "compel it to comply with State Housing Element Law." In January 2023, the City settled the lawsuit and worked out a schedule for the adoption of the Housing Element Update. In the settlement the City agreed to adopt the 6<sup>th</sup> Cycle Housing Element Update by July 31, 2023 and to pay a nominal sum of legal fees. The City is committed to complying with State Housing Element Law and has

been working diligently over the course of 2022 and 2023 to prepare a Housing Element Update that meets the State's legal requirements for housing elements and sets forth a holistic vision for meeting the diverse needs of Claremont's existing and future residents. The Claremont City Council will review and consider adoption of the Housing Element Update at its July 11, 2023 public hearing.

**12. How will the City review potential environmental impacts from accommodating the City's RHNA allocation?**

Because the adoption of the Housing Element Update is needed to bring the City's General Plan into compliance with a court order, the California Environmental Quality Act (CEQA) does not apply to the Housing Element Update. However, the City went above and beyond in order to understand the potential environmental impacts of accommodating the RHNA allocation and prepared a full environmental impact report (EIR) for the Housing Element Update. The purpose of an EIR is to inform the City's decision makers and the community of the significant environmental effects of a project, identify possible ways to mitigate or avoid the significant effects, and describe a range of reasonable alternatives to the project that could feasibly attain most of the basic of the project while substantially lessening or avoiding any of the significant environmental impacts. The EIR and related documents are available for review on the City's dedicated Housing Element Update webpage.

As noted above, the Housing Element Update is a program-level policy document that requires the City to demonstrate adequate capacity to accommodate the RHNA. Each Opportunity Site will require a separate application approval as individual housing projects are proposed to be developed. Each housing development proposal will be subject to CEQA, which requires that projects analyze potential impacts to the environment (such as traffic, air quality, noise, public safety, infrastructure impacts) and include measures, if necessary, to reduce those impacts.

**13. Will housing development proposals on Housing Opportunity Sites be automatically approved?**

The Housing Element does not automatically approve any housing projects. The Housing Element only requires the City to demonstrate sufficient capacity to accommodate the RHNA allocation, including through the rezoning of selected properties to allow for additional housing capacity. Housing projects by private developers on Housing Opportunity Sites still must go through the City's formal approval process, including but not limited to zoning conformance review, design review and environmental review.

However, it is important to know that existing State laws targeted at increasing housing supply and affordability provide developers with opportunities for increased density and streamlined review if proposed projects include a higher percentage of affordable units beyond what is required by the City's Inclusionary Housing Ordinance:

Density Bonus – State Density Bonus Law has been in existence since 1979, and has been strengthened in recent years as California's housing crisis has worsened. Density Bonus Law allows an applicant to request an increase in a project's maximum density (up to 80% for 100% affordable projects). Additionally, this law allows applicants to request waivers or reductions in development standards, such as setbacks, parking, height and open space requirements depending on the percentage of affordable units provided. Projects that use the incentive of Density Bonus Law are still subject to the City's review process, including review by the City's Planning Commission, Architectural Commission, and City Council.

Streamlined Approval Process – Senate Bill (SB) 35 became law in 2017 and created a streamlined approval process for infill residential development projects that requires local governments that have not met their RHNA allocations to expedite and approve by-right (i.e. without discretionary review) affordable housing development projects that provide a prescribed number of affordable units and comply with existing residential or mixed-use zoning requirements. Projects that provide at least 50% of units affordable to households earning less than 80% of Area Median Income and that employ labor at prevailing wage rates are required to be reviewed in the streamlined, “ministerial” process. Projects such as these typically require deep government subsidy in order to be financially feasible.

#### **14. Do the units required by RHNA have to be rental apartments?**

No, the housing units needed to satisfy the RHNA allocation can take a variety of building forms. Single-family homes, Accessory Dwelling Units (ADUs), townhomes, condominiums and apartment buildings can all contribute towards meeting the City’s RHNA allocation. The Housing Element Opportunity Sites provide for a range of densities, from single-family dwellings (approximately 4-10 dwelling units per acre) to townhome-style units (approx. 15-25 dwelling units per acre), to stacked apartments with either surface or underground parking (30-60 dwelling units per acre). As a point of reference, recently constructed housing developments along Baseline Road, such as Gable Crossing, have a density of approximately 12-15.5 dwelling units per acre. The Old School House/Colby Circle development has an overall density of 20.5 dwelling units per acre. The development approved for the Village South Specific Plan area reaches a maximum density of approximately 57 dwelling units per acre.

Units to meet the City’s RHNA allocation can be rented apartments or for-sale condominiums and can be rented or sold at current market rates. Most developers of single-family homes, townhomes, and condominiums sell their units at market rates. Developer of rental apartments typically build, hold, and manage their developments. Non-profit affordable housing developers typically seek competitive government funding to the affordability gap between market-rate and affordable rental rates and build apartment project in order to achieve economies of scale given high land and construction costs in Southern California.

It is important to note that State housing law sets forth specific requirements for identifying sites suitable for potential affordable housing development. Sites identified as Opportunity Sites for lower income in the Housing Element must allow for a maximum density of no less than 30 dwelling units per acre and must have a total size that ranges between 0.5 to 10 acres in size.

#### **15. How do the housing developments in the Village South Specific Plan area, Larkin Place, and adjacent to La Puerta Park relate to the Housing Element?**

At the beginning of the year, the City approved the Village South redevelopment, a transit-oriented development that will provide 700 new housing units, including 105 units affordable to moderate-income households, as well as new commercial spaces and public parks and plazas. The project alone allows Claremont to meet the City’s RHNA allocation for above-moderate housing units and helps the City make considerable progress in meeting the RHNA allocation for moderate-income units.

In June 2023, the City approved Larkin Place, a 100% affordable permanent supportive housing development with 33-units affordable to extremely low-income households located at 731 Harrison Avenue. The 33- units help to satisfy Claremont’s RHNA allocation of extremely low-income units.

The decommissioned school site adjacent to La Puerta Sports Park is included as an Opportunity Site in the Housing Element. A developer has submitted a housing development proposal that is currently under review by the City. The Housing Element sets for an alternate vision for housing at the development and proposes initiating a specific planning effort that would provide for a more diverse mix of residential densities, unit types and affordability levels. More information about this Opportunity Site, and every other Opportunity Site proposed in the Housing Element may be found in the “Opportunity Sites Mapbook” which is linked on the City’s dedicated Housing Element Update webpage.