

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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May 10, 2022

Scott Ochoa, City Manager
City of Ontario
303 East B Street
Ontario, CA 91764

Dear Scott Ochoa:

RE: Ontario's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Ontario's (City) housing element adopted March 1, 2022 and received for review on March 11, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The adopted housing element addresses most statutory requirements described in HCD's December 13, 2021 letter; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code) See enclosed Appendix. The element will meet the statutory requirements of State Housing Element Law once it has been revised and re-adopted to comply with the above requirements.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City failed to adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), any rezone needed to accommodate the City's regional housing needs allocation (RHNA) must be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. During the housing element revision process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at:

<https://www.opr.ca.gov/planning/general-plan/guidelines.html>

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

HCD appreciates the efforts that City staff and PlaceWorks consultants provided throughout the course of the housing element review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact, Reid Miller of our staff, at (916) 695-7998.

Sincerely,

A handwritten signature in black ink, appearing to read "Melinda Coy", with a long horizontal stroke extending to the right.

Melinda Coy
Senior Housing Accountability Manager

Enclosure

APPENDIX CITY OF ONTARIO

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A))*

Disproportionate Housing Needs including Displacement Risk: While the adopted element was revised to evaluate patterns and trends for overpayment, overcrowding, substandard housing and displacement risk within the City and in comparison to the region, it does not include data and evaluation on persons experiencing homelessness relating to protected characteristics and access to opportunity.

Goals, Priorities, Metrics, and Milestones: While the adopted element has added or modified goals and actions based on a more complete analysis, and cited specific programs that will implement them, it must still show that these goals and actions provide specific commitments, metrics and milestones to prove they are significant and meaningful enough to overcome identified patterns and trends in the provided analysis. See finding B-3 for additional information.

2. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

The City has a regional housing needs allocation (RHNA) of 20,854 housing units, of which 8,926 are for lower-income households. To address this need, the element relies on both vacant and nonvacant sites, including sites in Specific Plan Areas. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Large Sites: The adopted element lists several sites in its inventory that are larger than 30 acres to accommodate a large portion of its lower-income RHNA. While the adopted element has been revised to provide examples of development on large sites in areas surrounding the City, it does not provide sufficient analysis as to how the sites will actually be developed on these very large parcels. Specifically, the element must describe how these large sites within the Ontario Mills Mall and Great Park Corridor are expected to be developed. For example, for the Ontario Mills Mall site, the element could describe if parcels are expected to be subdivided or ground leased, provide a description of where on the mall site residential is expected to be developed in conjunction with the existing development, and describe any actions the City is planning to take or has already taken to facilitate development on these large sites. For the Great Park Corridor sites, the element could describe if sites are expected to be developed through a specific plan or master plan, subdivided, or other mechanisms that would required make the sites available and suitable for development affordable to lower-income households. This is especially critical as the element is assuming 770 units of its lower-income RHNA to be accommodated on a 96-acre site under the Ontario Mills Specific Plan, and 446 units on a 36-acre sites in the Great Park Corridor.

3. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Processing and Permit Procedures: While the adopted element was revised to provide further information on the benefits of the Design Advisory Board (DAB) in terms of improving approval certainty of applications, it did not describe and analyze the process for potential constraints to timing, cost, and transparency of the development process. Please see HCD's prior review.

Codes and Enforcement: The adopted element was not revised to meet this requirement. Please see HCD's prior review.

"Community Oriented Policing" Program: While the adopted element was revised to delete the "Community Oriented Policing" program, it still discusses holding "Crime free multi-housing meetings" as a part of Program 6 (Neighborhood Stabilization), and requires a "Crime free lease addendum" as a part of any lease agreement in Program 20 (Development Code Amendments). Please see HCD's prior review and complete the required analysis found in the governmental constraints section under the finding entitled "Community Oriented Policing' Program."

B. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A1, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

2. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Finding A2, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

3. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element must include a complete analysis of affirmatively furthering fair housing (AFFH). All actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues. They must also be significant and meaningful enough to overcome identified patterns and trends, and provide specific commitment, metrics and milestones as appropriate. For example, the following programs identified in the AFFH analysis should be revised to meet these requirements:

Program 7 (Accessory Dwelling Units (ADUs)): The program should be revised to state how it will "actively market" ADU materials and guidance in high resource areas, and how these

actions will realistically lead to ADUs affordable to lower-income residents in high resource areas.

Program 8 (Downtown Plan): The program should be modified to include defined milestones and quantifiable objectives.

Program 11 (Ontario Ranch): The program should be modified to state the proactive steps the City will take in “exploring” with prospective developers the potential of integrating affordable units into housing projects in this high resource area.

Program 23 (Public Housing): The program should be revised to add a more detailed outreach component with clear metrics and time frames beyond biannual trainings to ensure that landlords of units in high resource areas are aware of their obligations to accept housing choice vouchers, and how this will have a substantial impact on increased housing opportunities for lower-income residents in high resource areas.

Program 27 (Fair Housing): The program should be revised to state how the City intends to support and partner with San Bernardino County and CalWorks to provide trainings or job fairs in northwest Ontario by 2025.

Program 31 (Family Housing): The Program should be revised to provide clear goals and milestones as to how many large households are expected to be assisted by this program throughout the planning period.

Program 30 (Housing for People with Disabilities): The program should state how the City will partner with the Inland Regional Center to provide services for residents with disabilities, and how residents it expects to assist through the program during the planning period.

C. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

While the element was revised to describe how the public participation process for the consolidated plan considered affirmative furthering fair housing, as stated in the prior review, it did not describe the public participation strategy specific to the development of the housing element. Please see HCD’s prior review.