



# FAQ: Covina 2021 Housing Element

## 1. What is a Housing Element?

State law<sup>1</sup> requires each city to adopt a comprehensive, long-term General Plan for its physical development. General Plans include several “elements” that address various topics. The Covina General Plan<sup>2</sup> includes the following elements:

- Land Use
- Circulation
- Housing
- Natural Resources and Open Space
- Noise
- Safety

While most portions of General Plans often have a time horizon of 20-25 years, State law requires that the Housing Element be updated every 8 years. Housing Element planning periods are sometimes referred to as *cycles*. The City is currently preparing an update to the Housing Element for the 2021 to 2029 planning period, which is referred to as the “6<sup>th</sup> Housing Element cycle” in reference to the six required updates that have occurred since the comprehensive revision to State Housing Element law in 1980.

State law<sup>3</sup> establishes detailed requirements for Housing Elements, which are summarized in California Government Code Section 65583:

*The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobile homes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.*

## 2. What is Housing Element “certification” and why is it important?

The State Legislature has delegated to the California Department of Housing and Community Development (“HCD”) the authority to review Housing Elements and issue findings regarding the elements’ compliance with the law.<sup>4</sup> When HCD issues a letter finding that the Housing Element is in substantial compliance with State law it is referred to as “certification” of the Housing Element.

Housing Element certification is important for several reasons:

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<sup>1</sup> California Government Code Sec. 65300 *et seq.*

<sup>2</sup> <https://covinaca.gov/pc/page/general-plan>

<sup>3</sup> California Government Code Sec. 65580 *et seq.*

<sup>4</sup> California Government Code Sec. 65585



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- **Local control.** The General Plan and its various elements provide the foundation for the City's land use plans and development regulations, and the Housing Element is part of the General Plan. If the City were challenged in court on a planning or zoning matter and the General Plan were found by the court to be invalid, the court could order changes to City land use plans or regulations and assume control over City land use decisions. HCD certification establishes a "rebuttable presumption of validity"<sup>5</sup> that the Housing Element complies with State law, which would support the City's legal defense. Recent laws also allow courts to impose fines if a jurisdiction fails to adopt a Housing Element in compliance with State law.<sup>6</sup>
- **Eligibility for grant funds.** Some State grant funds are contingent upon Housing Element certification.

### 3. What are the most important issues that must be addressed in the Housing Element?

The major issues that must be addressed in the Housing Element are: 1) how City policies, plans and regulations help to meet the region's housing needs for households of all income levels; and 2) how City land use regulations accommodate the special housing needs of persons with disabilities or other difficulties.

- **Accommodating Regional Housing Needs.** Under State law<sup>7</sup> all cities are required to plan for additional housing to accommodate population growth and address existing housing problems such as overcrowding and high housing cost. State law recognizes that cities generally do not build housing, since that is typically the role of private and non-profit developers and builders. However, cities are required to adopt policies, development regulations and standards to encourage a variety of housing types that are affordable for persons of all income levels, including multi-family rental housing and accessory dwelling units ("ADUs"). The Regional Housing Needs Assessment ("RHNA") is the method by which each jurisdiction's share of new housing needs is determined (see #5 below).
- **Housing for Persons with Special Needs.** Under State law<sup>8</sup> cities must also ensure that their plans and regulations encourage the provision of housing for persons with special needs including:
  - ✓ Reasonable accommodation for persons with disabilities
  - ✓ Residential care facilities
  - ✓ Transitional housing
  - ✓ Supportive housing
  - ✓ Emergency shelters and other accommodations for the homeless

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<sup>5</sup> California Government Code Sec. 65589.3.

<sup>6</sup> AB 101 of 2019

<sup>7</sup> California Government Code Sec. 65583

<sup>8</sup> California Government Code Sec. 65583(a)(5)



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## 4. What is “affordable” housing?

By definition, housing is considered “affordable” when total housing cost, including utilities, is no more than 30% of a family’s gross income. State law describes five income categories, which are based on county median income as shown in Table 1.

**Table 1. Household Income Categories**

Income Category	% of county median income
Extremely low	Up to 30%
Very low	31-50%
Low	51-80%
Moderate	81-120%
Above moderate	Over 120%

Source: California Government Code Sec. 65584(f)

Affordable housing costs for all jurisdictions in Los Angeles County are determined based on these income categories as shown in Table 2, below.

**Table 2. Income Categories and Affordable Housing Costs – Los Angeles County**

Income Category	Maximum Income	Maximum Affordable Rent	Maximum Affordable Price (est.)
Extremely low	\$35,450	\$886	*
Very low	\$59,100	\$1,478	*
Low	\$94,600	\$2,365	*
Moderate	\$96,000	\$2,400	\$375,000
Above moderate	>\$96,000	>\$2,400	Over \$375,000

Assumptions:

- Based on a family of 4 and 2021 State income limits
- 30% of gross income for rent or principal, interest, taxes & insurance plus utility allowance
- 10% down payment, 3.75% interest, 1.25% taxes & insurance, \$300 HOA dues

\* For-sale affordable housing is typically provided at the moderate-income level

Source: Cal. HCD; JHD Planning LLC

## 5. What is the “RHNA” why is it important?

Each California city is required to plan for new housing to accommodate a share of regional needs. The Regional Housing Needs Assessment (“RHNA”) is the process established in State law<sup>9</sup> by which housing needs are determined.

Prior to each planning cycle the total new housing need for each region of California is determined by HCD based upon economic and demographic trends, existing housing problems such as overcrowding and overpayment, and additional housing needed to ensure reasonable vacancy rates and replace units lost due to demolition or natural disasters. Covina is located within the Southern California Association of Governments (“SCAG”) region, which includes Los Angeles, Orange, Riverside, San Bernardino, Imperial

<sup>9</sup> California Government Code Sec. 65584 et seq.



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and Ventura counties. The total housing need for the SCAG region is then distributed to cities and counties by SCAG based upon objectives and criteria established in State law.<sup>10</sup>

The total new housing need for the entire SCAG region in the 6<sup>th</sup> Housing Element cycle was determined by HCD to be 1,341,827 units. Table 3 shows the RHNA allocations for Covina, Los Angeles County, and the entire SCAG region.

**Table 3. 6<sup>th</sup> Cycle RHNA – Covina, Los Angeles County and SCAG Region**

	Covina	Los Angeles County	SCAG Region
New housing unit allocations 2021-2029	1,910	812,060	1,341,827

Source: SCAG, 2021

The RHNA also distributes total housing need to the income categories described in #4 above based on income characteristics for Los Angeles County as shown in Table 3.

The RHNA distributes each jurisdiction’s total housing need into four income categories (the extremely-low and very-low categories are combined for RHNA purposes). Covina’s 6<sup>th</sup> cycle RHNA allocation by income category is shown in Table 4. The RHNA allocation is important because the Housing Element must demonstrate that the City’s land use plans and regulations could accommodate the amount of additional housing development assigned through the RHNA process.

**Table 4. 6<sup>th</sup> Cycle RHNA by Income Category – Covina**

Very Low	Low	Moderate	Above Moderate	Total
614	268	281	747	1,910

Source: SCAG, 2021

### 6. Is the RHNA a construction quota or mandate?

The RHNA allocation identifies the amount of additional housing a jurisdiction would require in order to have enough housing at all price levels to fully meet the needs of its existing population plus its assigned share of projected growth over the next 8 years while avoiding problems like overcrowding and overpayment. The RHNA is a *planning requirement* based upon housing need, *not a construction quota or mandate*. Jurisdictions are not required to build housing or issue permits to achieve their RHNA allocations, but some provisions of State law establish specific requirements when housing production falls short of RHNA allocations. One such requirement is streamlined review and approval of housing development applications that meet specific standards.<sup>11</sup> Other than requirements for streamlined permit processing, there are currently no legal or financial penalties imposed on cities that do not achieve their RHNA allocations.

<sup>10</sup> California Government Code Sec. 65584(d)

<sup>11</sup> California Government Code Sec. 65913.4 (SB 35 of 2017)



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### 7. What must cities do to comply with the RHNA?

The Housing Element must analyze the city's capacity for additional housing based on an evaluation of land use patterns, development regulations, other development constraints (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 identify properties (or "sites") where additional housing could be built consistent with city regulations. This evaluation is referred to as the "sites analysis" and State law requires the analysis to demonstrate that the city has adequate capacity to fully accommodate its RHNA allocation in each income category. If the sites analysis does not demonstrate that adequate capacity exists to fully accommodate the RHNA, the Housing Element must describe what steps will be taken to increase capacity commensurate with the RHNA - typically through amendments to land use and zoning regulations that could facilitate additional housing development. Such amendments typically include increasing the allowable residential density or allowing housing to be built in areas that are currently restricted to only non-residential land uses.

### 8. Why are cities in high-cost areas expected to have affordable housing? Low-cost housing is not economically feasible here due to high land values and construction cost.

State housing laws are based on the premise that every city has an obligation to accommodate a range of housing types for persons at all income levels. Every community is dependent on a variety of workers at all income levels, including low-wage jobs such as landscaping, building maintenance, child and elder care, medical technicians, personal services, clerical support and retail trade. While the existing housing stock serves the needs of many residents, market rents and prices are higher than some families can afford. In addition, low-wage jobs are increasing at a much faster rate than affordable housing is being built.

While cities are not required to build new housing, they must ensure that their land use regulations encourage a full range of housing types. Rental apartments typically provide most affordable housing, but other types of housing such as ADUs can also help to address this need. Various governmental programs provide funding assistance for affordable housing, but if a city's development regulations are too rigid, affordable housing may be infeasible and the housing needs of the local workforce will be shifted to other cities.

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