

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



June 28, 2021

Robert Rodriguez, Director of Planning/Building
Community Development Department
Cathedral City
68700 Avenida Lalo Guerrero
Cathedral City, CA 92234

Dear Robert Rodriguez:

RE: Review of Cathedral City's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the Cathedral City's (City) draft housing element received for review on April 30, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a phone conversation on June 14, 2021, with Tami Scott, Administrative Services Director, and consultants Nicole Sauviat Criste and Leisa Lukes.

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2021 for Southern California Association of Governments (SCAG) localities. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

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 will meet housing element requirements for these and other funding sources.

HCD is committed to assisting Cathedral City in addressing all statutory requirements of Housing Element Law. If you have any questions or need additional technical assistance, please contact Fidel Herrera at fidel.herrera@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name "Shannan" and the last name "West" clearly distinguishable.

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF CATHEDRAL CITY

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. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

As part of the evaluation of programs in the past cycle (pages III- 65-76), the element must provide an explanation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers and persons experiencing homelessness).

B. 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).)*

The element has some basic information from an Assessment of Fair Housing prepared in 2016 on racial dissimilarity, concentrated areas of poverty and fair housing services. However, the element generally does not address this requirement. The element, among other things, must include outreach, an assessment of fair housing, identification, and prioritization of contributing factors to fair housing issues and goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity. For more information, please contact HCD and visit <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

2. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

While the element includes some information on the age of the housing stock, it must also estimate the number of units in need of rehabilitation and replacement. For example, the analysis could use code enforcement activity to calculate a city-wide estimate. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

3. *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).)*

Parcel Listing: The element lists parcels by acreage, general plan and zoning but must also (1) include individual acreages and parcel numbers for Site 1 and any other site assumed to be consolidated, (2) identify the affordability levels of all the units on identified sites and (3) adjust capacity numbers, if necessary, based on a complete analysis of realistic capacity.

In addition, Site 12 in the review and revise section (page 66) states that the site was rezoned to R4 with minimum density of 20 dwelling units per acre (du/ac), and maximum of 30 du/ac; however, it also states that, at the owner's request, the site was rezoned to R3 for a maximum density of 20 du/ac. The element should clarify the current zoning for Site 12 and utilize the site toward the appropriate income group based on allowable densities.

Zoning for Lower-Income Households: The element must demonstrate zoning appropriate to accommodate housing for lower-income households. For communities with densities that meet specific standards (allow at least 30 units per acre for Cathedral City), no analysis is required. Otherwise, the element must include an analysis based on, including but not limited to, factors such as market demand, financial feasibility and development experience within identified zones demonstrating how the adopted densities can accommodate housing for lower-income households. The element appears to rely on densities allowing up to 20 units per acre to accommodate the housing need of lower-income households. This density is far less than the 30 units per acre standard "deemed appropriate" in statute. For your information; generally, HCD has not accepted densities of 20 units per acre in areas comparable to Cathedral City. The element should adjust the densities deemed appropriate to accommodate the housing needs of lower-income households. For additional information and sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#zoning>.

Realistic Capacity: While the element includes an estimate of the number of units that can be accommodated on each site in the inventory, the estimate should rely on established minimum density standards or include analysis demonstrating how the

number of units for each site was determined. For example, Sites 3 through 11 appear to assume maximum density. The element should include an analysis of how realistic density proposed was calculated. The estimate of the number of units for each site must be adjusted as necessary, based on the land-use controls and site improvements, typical densities of existing or approved residential developments at a similar affordability level in the City and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

In addition, the element appears to assume residential development on sites zoned for nonresidential uses but to support this assumption, the element must analyze the likelihood of residential in zoning where 100 percent nonresidential uses are allowed. The analysis should be based on factors such as development trends including nonresidential, performance standards requiring residential uses or other relevant factors such as enhanced policies and programs.

For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#zoning>.

Large Sites: The element identifies sites greater than 10 acres. For example, Site 11 is a large site of 30.57 acres, and Site 2 identifies 7 of 79 acres. Sites greater than 10 acres are not eligible absent a demonstration that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless other evidence is provided. If utilizing these sites toward the housing need for lower-income households, the element must include analysis and programs as appropriate. For additional information, see the Building Blocks at <https://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml>.

Small Sites: The element identifies several sites smaller than half an acre. In addition, Site 1 includes multiple sites that do not include the size. Sites smaller than a half acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing. As a result, if utilizing these sites toward the housing need for lower-income households, the element must include analysis and programs as appropriate. For additional information, see the Building Blocks at <https://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml>.

Sites Identified in Prior Planning Periods: Sites identified in prior planning periods shall not be deemed adequate to accommodate the housing needs for lower-income households unless a program, meeting statutory requirements, rezones sites to permit housing development by right pursuant to statutory requirements. The element

must clarify if sites used to accommodate the housing need for lower income households were previously identified in prior planning periods and include programs as appropriate. For additional information, see HCD's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Availability of Infrastructure: While the element includes information on water capacity, it must also address sewer capacity sufficient to accommodate the regional housing need allocation (RHNA). For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#environmental>.

Environmental Constraints: While the element generally describes a few general environmental conditions within the City (page III-51), it must also describe any known environmental constraints in the sites identified that could impact housing development in the planning period. For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#environmental>.

Affirmatively Furthering Fair Housing: The element must demonstrate the sites inventory affirmatively furthers fair housing. For more information, see HCD's guidance at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Water and Sewer Priority: For your information, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. (Gov. Code, § 65589.7.) Local governments are required to immediately deliver the housing element to water and sewer service providers. While the element states the City water providers will grant priority service to affordable projects, the element must also address these requirements for sewer providers. For additional information and sample cover memo, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/priority-for-water-sewer.shtml>.

Zoning for a Variety of Housing Types: The element must demonstrate zoning to encourage and facilitate a variety of housing types, as follows:

- *Emergency Shelters*: The element describes the Institutional Housing Overlay District (P/IH); however, it should clarify whether shelters are permitted without discretionary action. In addition, the element must evaluate the available acreage for characteristics like parcel size or potential redevelopment or reuse opportunities, proximity to services and describe development standards. The analysis must also address the appropriateness of other uses in the P/IH zone for human habitation and whether parking requirements are limited to staff working in the emergency shelters and do not require more parking than other residential or commercial uses in the zone. The element must include programs as appropriate based on the outcomes of this analysis.
- *Permanent Supportive Housing*: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.
- *Employee Housing*: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.). Specifically, section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone.
- *Mobilehome and Manufactured Housing*: The element must demonstrate the City's zoning code allows and permits manufactured housing in the same manner and in the same zone(s) as conventional or stick-built structures are permitted (Gov. Code, § 65852.3). Table 38 on page III-45 does not include manufactured housing, and there was no analysis included. Specifically, manufactured homes should only be subject to the same development standards that a conventional single-family residential dwelling on the same lot would be subject to, with the exception of architectural requirements, for roof overhang; roofing material; and siding material (Gov. Code, § 65852.3, subd. (a)). However, any architectural requirements for roofing and siding material shall not exceed those which would be required of conventional single-family dwellings constructed on the same lot (Gov. Code, § 65852.3, subd. (a)).
- *Accessory Dwelling Units (ADUs)*: The housing element indicates ADUs are only permitted through a conditional use permit (CUP) in residential zones. Generally, development applications for ADUs are required to be considered ministerially without discretionary review or a hearing. The element should include a program to review and revise the ADU ordinance and make changes as appropriate to be consistent with current State Law. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/accessory-dwelling-units.shtml>.

4. *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).)

Land-Use Controls: The element must identify and analyze all impacts of relevant land-use controls for potential constraints on the cost, supply, timing, and certainty of housing. The element's Table 39 on page III-47 state that the R3 and R4 zones allow 35 feet for building height but should also clarify if three stories are allowed in those zones and analyze whether development standards facilitate achieving maximum allowable densities.

Building Codes and Code Enforcement: The element must clarify which building code is utilized, including any local amendments, describe the City's building and zoning code enforcement processes and analyze impacts as potential constraints on housing supply and affordability. For additional information and a sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

Fees: While the element describes the City's development fees, it must describe all required fees for single family and multifamily housing development, including planning fees (e.g., CUP, rezone, variance, general plan amendments), and analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis and tables, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/fees-and-exactions.shtml>.

Processing and Permit Procedures: The element describes design review approval for multi-family projects; however, it must also analyze the process for impacts on cost, supply, and approval certainty. For example, the analysis should describe required approval findings and discuss whether objective standards and guidelines improve development certainty and mitigate cost impacts. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate. For additional information, see the *Building Blocks* at <https://www.hcd.ca.gov/community-development/building-blocks/constraints/processing-permitting-procedures.shtml>.

Housing for Persons with Disabilities: The element notes group homes for seven or more persons are permitted in all residential zones subject to a CUP. The element should analyze the process as a potential constraint on housing for persons with disabilities and add or modify programs as appropriate to ensure zoning permits group homes objectively with approval certainty. Secondly, the element explains a reasonable accommodation procedure was adopted but should also list and analyze approval findings. Lastly, the element should identify and analyze any definition of

family. The element must include programs as appropriate based on the outcomes of a complete analysis.

SB 35 Streamlined Ministerial Approval Process: The element must identify and analyze written procedures for the SB 35 Streamlined Ministerial Approval Process.

Zoning, Development Standards and Fees: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards and fees for each parcel on the jurisdiction's website.

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584. (Gov. Code, § 65583, subd. (a)(6).)*

Identified Densities and Approval Times: The element did not address these requirements. The element must address requests to develop housing at densities below those anticipated in the sites inventory and the length of time between receiving approval for housing development and submittal of application for building permits. The analysis must address any hinderances on housing development and programs should be added as appropriate.

6. *Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

Farmworkers: While the element identifies a quantification from the American Community Survey (ACS) for residents employed in the "agriculture, forestry, fishing, hunting, mining" industry"; it must also include an estimate of the number of permanent and seasonal farmworkers within the community. The estimate could be from the United States Department of Agriculture (USDA).

Persons with Developmental Disabilities: The element must quantify the number of persons with developmental disabilities and analyze the special housing needs of persons with developmental disabilities. The term developmental disability refers to a severe and chronic disability attributable to a mental or physical impairment, such as cerebral palsy, epilepsy, or autism that begins before individuals reach adulthood. (Welfare and Institutions Code, § 4512.) The analysis could include the following:

- a quantification of the total number of persons with developmental disabilities;

- a description of the types of developmental disabilities;
- a description of the housing need, including a description of the potential housing problems; and
- a discussion of resources, policies and programs including existing housing and services, for persons with developmental disabilities.

For additional information and a sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/people-with-disabilities.shtml>, and for additional information, see the area's local regional center for developmental services at <https://www.dds.ca.gov/rc/listings>.

7. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)*

Units At-Risk: While the element identifies the Nova Ocotillo Place that is at risk of converting from affordable to market-rate during the next 10 years, the element must also estimate the total cost of preserving these units and include a list of entities with the capacity to acquire multifamily developments at-risk. The analysis should guide policies and programs necessary to address the critical activity of preserving at-risk units. For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/assisted-housing-developments.shtml> and for more information on identifying units at-risk, see the California Housing Partnership Corporation at <http://www.chpc.net>.

C. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

Ongoing Programs: Numerous programs indicate an “ongoing” implementation status. While this may be appropriate for some programs, programs with quantified objectives or specific implementation actions must include completion dates resulting in beneficial impacts within the planning period. Programs needing revision include 1B4 (homelessness coordination), 1B6 (workforce housing), 2A2 (information distribution), 2A5 (self-help housing) and 3A2 (neighborhood revitalization). For

additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/program-requirements/program-overview.shtml>.

2. *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 B3, the element does not contain a complete sites inventory and analysis. 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. In addition:

Program 1A7 (Rezoning): The program appears to commit to rezoning to accommodate a shortfall for the 6th cycle housing element. If so, this program must be revised to:

- Permit a minimum of 16 units per site.
 - Require a minimum density of 20 units per acre.
 - Ensure at least 50 percent of identified shortfall is accommodated on residential only zoned sites, or up to 100 percent of the identified shortfall can be met on mixed-use sites if the mixed-use zoning allows both:
 - 100 percent of a development to be residential; and
 - requires a minimum of 50 percent of the square footage in a mixed-use development to be residential; and
 - Permit owner-occupied and rental multifamily residential use by-right for developments in which at least 20 percent of the units are affordable to lower-income households during the planning period.
3. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

The element must include a program(s) with specific actions and timelines to assist in the development of housing for extremely low-, very low-, low-, and moderate-income households. The program(s) could commit the City to adopting priority processing, granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to

lower and moderate-income households; assisting, supporting or pursuing funding applications; and outreach and coordination with affordable housing developers.

In addition, the element should include a program to update a density bonus ordinance pursuant to Government Code section 65915.

For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/program-requirements/assist-in-development-housing.shtml>

4. *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 B4, 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 to address and remove or mitigate any identified constraints.

5. *The housing element shall include programs to conserve and improve the condition of the existing affordable housing stock. (Gov. Code, § 65583, subd. (c)(4).)*

The element must include a program(s) to conserve and improve the condition of the existing stock, which may include addressing the loss of dwelling units. A program could provide grants for substantial rehabilitation, provide matching grants for homeowner improvements, or implement proactive code enforcement program.

6. *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 B1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs.

7. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs*

identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)

As noted in Finding B7, the element must complete an analysis of units at risk of conversion to market rate during the planning period. The element must add or modify programs based on the outcomes of that analysis.

8. *Develop a plan that incentivizes and promotes the creation of ADUs that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. (Gov. Code, § 65583, subd. (c)(7).)*

The element is required to include a program that incentivizes or promotes ADU development for very low-, low-, and moderate-income households. This can take the form of flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, pre-approved building plans, fee waivers and more. Other strategies could include developing information packets to market ADU construction, advertising ADU development opportunities at City Hall and other locations or establishing an ADU specialist within the planning department.

D. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

While the element provided an estimate of the number of anticipated new construction units and rehabilitation objectives by income level, it must also include conservation objectives, including preservation of units at-risk of conversion to market rate uses.

E. Public Participation

Include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort. (Gov. Code, § 65583, subd. (c)(9).)

While the element describes a virtual community workshop and direct notices to housing providers, the element should include additional efforts to include a broad spectrum of individuals and representative organizations, consider language access barriers and describe how comments were incorporated into the housing element. In addition, HCD understands the City did not make the element available to the public prior to submittal to HCD. By not providing an opportunity for the public to review and comment on a draft of the element in advance of submission to HCD, the City has not yet complied with

statutory mandates to make a diligent effort to encourage the public participation in the development of the element and it reduces HCD's ability to consider public comments in the course of its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including making revisions to the document where appropriate. HCD's future review will consider the extent to which the revised element documents were circulated and how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.