

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

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September 2, 2021

Scott Reimers, Director
Community Development Department
City of Temple City
9701 Las Tunas Drive
Temple City, CA 91780

Dear Scott Reimers:

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

Thank you for submitting the City of Temple City's (City) draft housing element received for review on July 6, 2021, along with revisions received on August 18, 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 telephone conversation on August 12, 2021, with Scott Reimers, Community Development Director; Hesty Liu, Associate Planner; and consultants Jennifer Daugherty and David Bergman.

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). In particular, the element must include a complete sites inventory and analysis, as well as an analysis and programs to affirmatively further fair housing (AFFH). The enclosed Appendix describes these, and other 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.

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:
http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and
http://opr.ca.gov/docs/Final_6.26.15.pdf.

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 appreciates your patience and responsiveness as well as the efforts Hesty Liu, and consultants Jennifer Daugherty and David Bergman provided during our 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 Edgar Camero, of our staff, at edgar.camero@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" written in a larger, more prominent script than the last name "West".

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF TEMPLE 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

1. *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, 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 (AFFH) 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 did not address this requirement. Additional analysis is required to meet the statutory requirements. 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).)*

Housing Conditions: The element identifies the age of the housing stock (p. A.24). However, it must include analysis of the condition of the existing housing stock and estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable

builders/developers, including non-profit housing developers or organizations. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

Housing Costs: While the element includes information on sales prices, rental information from the American Community Survey does not fully reflect market conditions and the element should include additional data sources.

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).)*

The City has a regional housing needs allocation (RHNA) of 2,186 housing units, of which 980 are for lower-income households. To address this need, the element relies on nonvacant sites in the Crossroads Specific Plan and in residentially zoned areas. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Progress in Meeting the RHNA: As you know, the City's RHNA may be reduced by the number of new units built since July 1, 2021 by demonstrating availability and affordability based on rents, sale prices or other mechanisms ensuring affordability (e.g., deed restrictions). The element notes 24 units affordable to very low-income households based on deed restrictions. However, the element also describes this and other pending units as inactive and should demonstrate the availability of these units in the planning period.

Site Inventory: While the element lists sites by parcel number, size, and most other requirements, it must include the general plan designation, describe existing uses for any nonvacant sites, and list if each site was included in the 4th or 5th cycle sites inventory. While the element lists a realistic capacity for each site, application of the capacity assumptions to the inventory appears inconsistent and should be corrected as appropriate. Finally, for existing uses, the inventory must include sufficient detail to facilitate an analysis of the potential for additional development on nonvacant sites. For additional information and sample sites inventory, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/inventory-of-land-suitable.shtml>.

Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory (for all income-levels). Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD a sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory, it must also provide support for these assumptions. For example, the element should demonstrate what specific trends, factors, and other evidence led to the realistic capacity assumptions. The element could use the entitled and development trends to build its assumption but should consider affordability levels and land use controls of those sites to make its assumption. For sites zoned for nonresidential uses (e.g., commercial, and mixed-use zones), the element must describe how the estimated number of residential units for each site was determined. While the housing element states an assumption of 80 percent residential capacity on mixed-use sites, it does not appear to support this assumption with recent examples or trends and must account for the likelihood for residential development in nonresidential zones. The residential capacity estimate for mixed-use zones should consider land use controls such as allowing 100 percent nonresidential uses and consider the fact that “residential uses are permitted but not required” as noted in Table C-1 and Table C-3. The element should also consider the constraint to housing (p. C.19) in the MU-C district given the limitations on locations for stand-alone multifamily developments coupled with the prohibition on stand-alone multi-family. 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>.

Suitability of Nonvacant Sites: While the element mentions developer interest in developing nonvacant sites, the element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. The analysis must consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the City’s past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

In addition, the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). Absent findings (e.g., resolution of adoption) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the regional housing need allocation.

Small Sites: Sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income housing 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. (Gov. Code, § 65583.2, subd. (c)(2)(A).) For

example, a site with a proposed and approved housing development that contains units affordable to lower-income households would be an appropriate site to accommodate housing for lower-income households. (Gov. Code, § 65583.2, subd. (c)(2)(C).). The element identifies several sites consisting of aggregated small parcels. The element must describe whether these aggregated parcels are expected to develop individually or consolidated with the other small parcels. For parcels anticipated to be consolidated, the element must demonstrate the potential for lot consolidation. For example, analysis describing the City role or track record in facilitating small-lot consolidation, policies or incentives offered or proposed to encourage and facilitate lot consolidation, conditions rendering parcels suitable and ready for redevelopment, recent trends of lot consolidation, and information on the owners of each aggregated site. Without this additional analysis, HCD cannot consider these sites toward accommodating any portion of the RHNA for 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>.

Accessory Dwelling Units (ADUs): The element relies on 408 ADUs to accommodate a portion of the City's RHNA for lower-income households. The element relies on the number of ADU *approvals*. While this information may be utilized to inform the potential for ADUs in the planning period, the analysis should be based on *permitted* ADUs, and the approval information should be ancillary to permitted ADUs. For your information, HCD records indicate permitted ADUs of 31 in 2018, 33 in 2019 and 27 in 2020. The element should reconcile these numbers and adjust assumptions as appropriate. In addition, the element assumes all ADUs will be affordable to extremely low-income households; this is an assumption far different from HCD's understanding of affordability trends. This assumption appears to be based on a limited survey with a response rate of 6-12 households and provides no accounting for new versus older ADUs, market conditions and other relevant factors and affordability assumptions should be adjusted. The City could consider data available through SCAG's Affordability Report.

Infrastructure: While the element states that all sites have access to infrastructure and water, the element must also discuss whether all sites have access to dry utilities. In addition, the element must clarify the availability of sewer capacity to demonstrate sufficient existing or planned capacity to accommodate the City's regional housing need for the planning period. (Gov. Code, § 65583.2, subd. (b).)

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. HCD recommends including a cover memo describing the City housing element, including the City housing needs and regional housing need. 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:

- *Emergency Shelters:* The element must clarify emergency shelters are permitted without any discretionary actions or exceptions. The City must also ensure that the zoning adheres to the new parking requirement standards per AB 139 (Chapter 335, Statutes of 2019). AB 139 requires that the zone for emergency shelter allows for sufficient parking for the staff of the emergency shelter. For additional information, see the Building Blocks at http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb2_memo050708.pdf and the SB 2 Technical Assistance Memo at http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb2_memo050708.pdf.
 - *Transitional and Supportive Housing:* Pursuant to SB 2 (Chapter 633, Statutes of 2007), transitional and supportive housing must be permitted as a residential use in all zones and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. Currently the element states that transitional and supportive housing is only allowed in residential zones. The element must demonstrate consistency with these statutory requirements and update program A3 to ensure proper amendments are taken to comply with housing element law, as appropriate. For additional information, see the Building Blocks at [SB 745 Memo](#).
 - *Housing for Farmworkers:* The element indicates the City does not have agriculturally zoned land and therefore is not required to identify any zones to provide farmworker housing. The Employee Housing Act (Health and Safety Code § 17000 et seq.), specifically, sections 17021.5 and 17021.6. 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. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other *agricultural uses* in the same zone. The element must either demonstrate consistency with these requirements or include programs to amend zoning as appropriate. For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/farmworkers.shtml>.
 - *Group Homes of 7 or more persons (Large Community Care Facilities):* The element excludes group homes for seven or more persons from some residential zones and subjects the use to a conditional use permit, unlike other similar uses. The element should specifically analyze these constraints for impacts on housing supply and choices and approval certainty and objectivity for housing for persons with disabilities and include programs as appropriate.
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).)

Parking Requirements: The special use standards require parking to be subterranean in the specific plan area, within a structure, or within enclosed garages (p. C.19). Further, parking standards for studio and one bedroom could impact housing cost and supply. These requirements must be analyzed as a constraint and programs added or modified as appropriate.

Fees and Exaction: The element must describe all required fees for single family and multifamily housing development, including impact fees, and analyze their impact as potential constraints on housing supply and affordability. While the element includes many fees typically charged to a single-family development, it must also include those fees charged for multifamily projects. For example, the analysis could identify the total amount of fees and their proportion to the development costs for both single family and multifamily housing. In addition, all development fees should be included in table C-15. 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>.

Site Plan Review: The element should identify and analyze any findings from major and minor site plan reviews, specify the approval procedures, and explain the determining factors for reviews that require public hearings. For example, the analysis could describe required findings and discuss whether objective standards and guidelines improve development certainty and mitigate cost impacts. Lastly, the element must analyze for a constraint the planning commissions required review for “7 or more units, non-residential projects greater than 10,000 square feet in size, and mixed-use projects with either component” for a constraint given the impacts that this has on community care facilities (7 or more units) and mixed-use development (Footnote 3, Table C-12). Based on this analysis, a program may need to be added. For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/processing-permitting-procedures.shtml>.

Design Review: While the element describes the design review guidelines and process, it must also describe approval procedures and decision-making criteria for the impact as potential constraints on housing supply and affordability. The element states that the subjective design review may pose a constraint on housing development. The element should include a program to address this identified constraint, as appropriate.

Codes and Enforcement: The element must describe the City’s building and zoning code enforcement processes and procedures, including any local amendments to the building code, and analyze their impact as potential constraints on housing supply and affordability.

Local Ordinances: The element must specifically analyze locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances that directly impact

the cost and supply of residential development. The analysis should demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.

Zoning and Fees Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning and development standards for each parcel on the jurisdiction's website pursuant to Government Code section 65940.1, subdivision (a)(1).

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. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality's planning for the development of housing for all income levels and the construction of that housing. (Gov. Code, § 65583, subd. (a)(6).)*

Developed Densities and Permit Times: The element must be revised to include analysis of requests to develop housing at densities below those anticipated, and the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially hinder the construction of a locality's share of the regional housing need.

C. 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 the Finding B4, the element does not include a complete sites inventory or analysis; as a result, the adequacy of sites and zoning has not been established. Based on the results of a complete sites inventory and analysis, programs may need

to be added, or revised, to address a shortfall of sites and zoning for 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 Findings B5 and B6, the element requires a complete analysis of potential governmental and non-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 B1, the element must include a complete analysis of affirmatively furthering fair housing. Based on the outcome of that analysis, the element must add or modify programs. Additionally, programs and actions need to be significant, meaningful, and sufficient to overcome identified patterns of segregation and affirmatively further fair housing.

E. 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)(8).)

While the element includes a general summary of the public participation process (p. I.6), it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element describes one community workshop was held in preparation of the housing element which members of the public and organizations were invited to attend but does not include information on the other public workshops listed. The element must describe all public workshops, whether translation services were available, how the City incorporated feedback into the element, and whether the element was available for public comment prior to submitting the draft to HCD. 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.

F. Consistency with General Plan

The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)

The housing element affects a locality's policies for growth and residential land uses. The goals, policies and objectives of an updated housing element may conflict with those of the land-use, circulation, open space elements as well as zoning and redevelopment plans. The general plan is required to be "internally consistent." As part of the housing element update, the City should review the general plan to ensure internal consistency is maintained. In addition, The City should consider an internal consistency review as part of its annual general plan implementation report required under Government Code section 65400.