

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

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February 19, 2021

Raynald Pascua, Planning Manager
City of Villa Park
17855 Santiago Boulevard
Villa Park, CA 92861

Dear Raynald Pascua:

RE: Review of Villa Park's 6th Cycle (2021-2029) Draft Housing Element (Update)

Thank you for submitting the City of Villa Park's (City) draft housing element received for review on December 22, 2020. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from the Kennedy Commission, pursuant to Government Code section 65585, subdivision (c).

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.

Government Code section 65588, subdivision (e)(4) requires a jurisdiction that failed to adopt its housing element within 120 calendar days from the statutory due date to revise its element every four years until adopting at least two consecutive revisions by the applicable due dates. The City is subject to the four-year revision requirement and has satisfied the first four-year update requirement. Provided the City adopts its 6th cycle housing element by the due date (October 15, 2021), the City will satisfy the second consecutive four-year update and return to an eight-year update cycle. Please reach out to HCD with any questions regarding timing and meeting the second four-year update requirements.

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. Without a compliant housing element, the City will not meet housing element requirements for these and other funding sources.

HCD appreciates the hard work, professionalism and dedication of you and your consultant, John Douglas during the housing element update process. We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact David Navarette, of our staff, at David.Navarrette@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 VILLA PARK

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 Revise

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and effectiveness of the housing element goals, policies, and related actions to meet the community's needs, pursuant to paragraph (7) of subdivision (a) of Section 65583 and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

The element must include an analysis and evaluation of the effectiveness of policies and actions in meeting the housing needs of households and persons with special needs, including: persons with disabilities, persons with developmental disability, the elderly, large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. The element indicates some zoning actions such as amending zoning to permit supportive housing or providing reasonable accommodation in zoning and land use. However, the element should also discuss whether these programs are effective in meeting the needs of persons in the community with special needs. This is particularly important given the high proportion of elderly and persons with disabilities in the City. The element should be revised to reflect the results of this analysis and evaluation, including adding or modifying policies and programs as appropriate.

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2. The program shall include an assessment of fair housing in the jurisdiction that shall include all of the following components:*
 - (i) A summary of fair housing issues in the jurisdiction and an assessment of the jurisdiction's fair housing enforcement and fair housing outreach capacity.*
 - (ii) An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs within the jurisdiction, including displacement risk.*
 - (iii) An assessment of the contributing factors for the fair housing issues identified under clause (ii).*
 - (iv) An identification of the jurisdiction's fair housing priorities and goals, giving highest priority to those factors identified in clause (iii) that limit or deny fair housing*

choice or access to opportunity, or negatively impact fair housing or civil rights compliance, and identifying the metrics and milestones for determining what fair housing results will be achieved.

(v) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies and encouraging development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing, and protecting existing residents from displacement. (Gov. Code, § 65583, subd. (c)(10)(A))

The element 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. *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).)*

Regional Housing Need Allocation (RHNA): The element contains a draft RHNA, however, as noted (page IV-33), it must be updated upon adoption of the final RHNA.

Realistic Capacity: Currently, the element assumes residential development on sites zoned for non-residential uses. To support this assumption, the element must include analysis to demonstrate the likelihood for residential development, especially given the zones are intended for non-residential uses. The analysis may be based on factors such as development trends, performance standards or other relevant factors. 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 Non-Vacant Sites: The element must include an analysis to demonstrate the potential for redevelopment. The analysis shall consider factors, including but not limited to the extent existing uses constitute an impediment, past experience, development trends and market conditions. In addition, if relying on non-vacant sites to accommodate 50 or more of the housing needs for lower-income households triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. The element mentions the floor area ratios and age of existing uses on two parcels containing the City Hall, the library and an office building and then concludes the sites are suitable for redevelopment based on allowable densities. The element also

discusses that the sites allow 24 units per acre and multifamily up to 25 feet, neither of which appear to offer sufficient support to demonstrate potential for redevelopment. To address this requirement and given the element relies on nonvacant sites for the entire housing need for lower-income households, the element must demonstrate existing uses are not an impediment to redevelopment and will likely discontinue in the planning period. The analysis must consider development trends, which may include trends in Orange County, should address whether the existing regulatory environment promotes the financial feasibility of redevelopment and include programs, as appropriate. For more information, see HCD's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Accessory Dwelling Units (ADU): The element notes the approval of 13 ADUs between 2014 and 2020, of which, 12 ADUs were permitted in 2020. In consideration of the substantial recent increase and commitment to regulatory incentives, the element assumes 31 ADUs a year. However, the analysis and programs do not support a nearly threefold increase in the number of ADUs. As a result, the element should be revised to reduce the number of ADUs assumed per year and consider additional zoning actions and incentives such as allowing lots splits on single family zoned sites, smaller single family lot sizes, increasing allowable multifamily densities, allowing more than one ADU (e.g., Junior ADU) that converts existing space, permitting duplexes to fourplexes in single family zones and reducing minimum lot size triggers for additional ADUs. Finally, the element must demonstrate the affordability of ADUs. In estimating affordability, the analysis could consider SCAG's ADU survey, a community survey of existing new accessory dwelling units for their rents and include other factors such as square footage, number of bedrooms, amenities, age of the structure and general location.

City-Owned Sites: The element appears to rely on a city-owned site. The element should also discuss the schedule and approach for making the site available (e.g., surplus, ground leasing), whether the current use will be demolished, continue or relocated and other relevant factors and include programs as appropriate to encourage redevelopment.

Infrastructure: The element describes the availability of sewer capacity but must also demonstrate sufficient existing or planned total water capacity to accommodate the RHNA.

Affirmatively Furthering Fair Housing: The element does not address this requirement. The element must identify sites throughout the community to foster inclusive communities and affirmatively further fair housing.

Sites Map: The element does not address this requirement. The element must include a general map of identified sites. For additional information, see the sites inventory analysis section of the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/inventory-of-land-suitable.shtml>.

Electronic Sites Inventory: 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. Finally, the City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

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

- *Employee Housing:* The element mentions there is no agricultural land and no identifiable need to provide housing for agricultural employees. However, regardless of need and agricultural land, 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.
 - *Emergency Shelters:* The element describes zones to permit emergency shelters without discretionary action but must also describe development standards such as limits on the number of beds. The analysis must also address 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.
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. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)*

Land-Use Controls: The element identifies development standards for multifamily and mixed-use development but must also analyze those standards, particularly for impact on achieving maximum densities without exceptions. Specifically, the element should address whether lot coverages are imposed and the impacts of building heights of 25 feet on multifamily and mixed-use development.

In addition, the element mentions the City is founded on large lot development and indicates much of the City consists of large lots. Further, the element states there are no multifamily units in the City (page IV-22). While the element lists the availability of relatively smaller lots, these smaller lots appear to be large, ranging 8,000 to over 13,500. The lack of a variety of lot sizes can impact housing supply, choices and affordability. As a result, the element should include analysis of the impacts of an apparent predominant large lot land use pattern and include programs as appropriate.

Housing for Persons with Disabilities: The element states group homes for six or fewer persons are permitted in single family zones but should also address whether group homes for seven or more persons are permitted and include programs as appropriate.

Processing and Permit Procedures: While the element states approvals are ministerial, it should also identify approval findings and analyze those findings for impacts on cost and approval certainty. For more information, see the *Building Blocks* at <https://www.hcd.ca.gov/community-development/building-blocks/constraints/processing-permitting-procedures.shtml>.

Building Codes and Enforcement: The element must describe the code enforcement process and procedures and analyze the impact on the availability of safe and decent housing. For additional information and a sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

On and Off-Site Improvements: The element must identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

4. *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).)*

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.

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 Finding B2, 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. In addition, the element must be revised as follows:

- Program 2 (Accessory Dwelling Units): This program should be revised based on the outcomes of a complete analysis as noted in Finding B2. In addition, the program commits to implement additional incentives if ADUs are not being made available as assumed. Given the degree of reliance on ADUs, this additional commitment should include commensurate steps such as rezoning or increasing allowable densities or submitting the housing element to demonstrate adequate sites to HCD.
 - City-Owned Sites: The element should include specific commitment to encourage development on the City owned site. Actions include additional incentives, schedule for development, significant outreach with developers of affordability housing, reducing fees and seeking financing or supporting applications for funding.
2. *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 includes Program 3 (Facilitate Housing Development for All Economic Segments). This is a continuation of a prior program that does not appear to be effective and as a result the program should be revised appropriately based on the

evaluation of effectiveness in the prior planning period (page A-2). In addition, the program should include clear commitment to contact developers of affordable housing at least annually and incorporate housing opportunities for persons with special needs.

3. *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(s) B3 and B4, 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 add programs and address and remove or mitigate any identified constraints.

4. *Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action. (Gov. Code, § 65583, subd. (c)(3).)*

The element identifies a minor need for rehabilitation and commits to code enforcement and making brochures available but should at least monitor conditions and consider additional future actions as appropriate.

5. *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 outcomes of that analysis, the element must add or modify programs.

C. 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).)

The element must include quantified objectives to establish an estimate of housing units by income category that can be constructed, rehabilitated, and conserved over the planning period. While the element includes construction objectives, it should also include rehabilitation and conservation objectives.

D. General Plan Consistency

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)(8).)

As part of the housing element update, the City should review the general plan to ensure internal consistency and discuss how consistency will be maintained throughout the planning period. In addition, The City could consider an internal consistency review as part of its annual general plan implementation report required under Government Code section 65400.