

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

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December 31, 2021

Okina Dor, Director
Community Development Department
City of Artesia
18747 Clarkdale Avenue
Artesia, CA 90701

Dear Okina Dor:

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

Thank you for submitting the City of Artesia's (City) draft housing element received for review on November 3, 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.

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.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

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

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. 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.

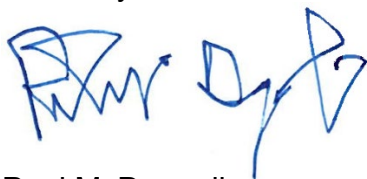
Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; 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.

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.

Recent attempts to contact the City regarding the element and findings have been unsuccessful. HCD would be happy to arrange a meeting to review these findings or provide any assistance needed to facilitate your efforts to address all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jamillah Williams, of our staff, at Jamillah.Williams@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul McDougall', with a stylized flourish at the end.

Paul McDougall

Senior Program Manager

Enclosure

APPENDIX CITY OF ARTESIA

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).)

A thorough program-by-program review is necessary to evaluate City's performance in addressing housing goals. Appendix A must be revised to describe the actual results of the prior element's programs (quantified where possible), compare those results to the objectives projected or planned, and based on an evaluation of any differences between what was planned versus achieved, provide a description of how the objectives and programs of the updated element incorporate changes resulting from the evaluation. This information and analysis provide the basis for developing a more effective housing program.

In addition, as part of the review of programs in the past cycle, the element must provide an evaluation 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 on poverty levels at a local and regional level, limited analysis on race, makes mention of no concentrated poverty impacts and where fair housing complaints can be filed. However, the element generally does not address the affirmatively furthering fair housing (AFFH) 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.

Fair Housing Enforcement and Outreach: The element must address the ability to provide enforcement and outreach capacity which can consist of actions such as ability to investigate complaints, obtain remedies, or the ability to engage in fair housing testing. The analysis must also describe compliance with existing fair housing laws and regulations and include information on fair housing outreach capacity. Furthermore, the element should address outreach related to AFFH, indicate any findings, lawsuits or enforcement actions taken, and describe how many fair housing complaints by characteristics the City has received over the past few years.

Integration and Segregation: The element includes some local data and analysis on integration and segregation (p. H-24) based on disability at the regional and local level; however, the element needs to provide stronger local and regional data and analysis for disability. The element must also analyze segregation and integration of race, familial status, income locally and regionally complemented by data and concluding with a summary of issues. To strengthen the analysis for race, the element could include dissimilarity index data.

Racial/Ethnic Concentrated Areas of Poverty (R/ECAPs): While the element concludes that there are no R/ECAPs in the City, the element must provide detailed analysis to substantiate this claim. The element must also analyze the racial concentrations as it relates to areas of affluence. The analysis should evaluate the patterns and changes over time and consider other relevant factors, such as public participation, past policies, practices, and investments and demographic trends.

Disproportionate Housing Needs and Displacement Risk: The element must analyze disproportionate housing needs including overcrowded households, substandard housing conditions, cost-burdened households, homelessness, as well as persons at risk of displacement. The analysis must include local and regional trends and patterns, complemented by data and concluding with a summary of issues.

Disparities in Access to Opportunity: The element provides some local data on access to opportunity (p. H-24) but must also provide a local and regional analysis of trends and patterns for all components. A comprehensive analysis should include the local and regional disparities of the educational, environmental, and economic scores through local, federal, and/or state data. It should also analyze persons with disabilities as well as access to transit. Please refer to page 35 of the AFFH guidebook (link: <https://www.hcd.ca.gov/community-development/affh/index.shtml#guidance>) for specific factors that should be considered when analyzing access to opportunities as it pertains to educational, employment, environmental, transportation, and any factors that are unique to Artesia.

Contributing Factors: The element must list and prioritize contributing factors to fair housing issues. Contributing factors create, contribute to, perpetuate, or increase the severity of fair housing issues and are fundamental to adequate goals and actions. Examples include community opposition to affordable housing, housing discrimination, land use and zoning laws, lack of regional cooperation, location and type or lack of affordable housing and lack of public or private investment in areas of opportunity or affordable housing choices. The analysis shall result in strategic approaches to inform and connect goals and actions to mitigate contributing factors to affordable housing.

Site Inventory: The element must include an analysis demonstrating whether sites identified to meet the regional housing needs allocation (RHNA) are distributed throughout the community in a manner that affirmatively furthers fair housing (AFFH). A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that effects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to mitigate this (e.g., anti-displacement strategies).

Goals, Priorities, Metrics, and Milestones: Goals and actions must significantly seek to overcome contributing factors to fair housing issues. Currently, the element identifies a program to provide fair housing services through the Fair Housing Foundation; however, this program does not appear to facilitate any meaningful change nor address AFFH requirements. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. The element may need to include additional programs and actions to integrate the AFFH analysis into policies and programs.

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).)*

Overpayment: While the element identifies the total number of overpaying households, it must quantify and analyze the number of overpaying households by tenure (i.e., renter and owner), including lower-income households.

Housing Costs: While the element describes the median home sales prices in the City, it should also describe the median rental prices.

Extremely Low-Income Households (ELI): While the element quantifies existing and projected ELI households, it must also analyze their housing needs. The analysis of ELI housing needs should consider tenure and rates of overpayment, consider existing housing resources and the magnitude of gaps in addressing these housing needs to formulate appropriate policies and programs.

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 RHNA of 1,069 housing units, of which 480 are for lower-income households. To address this need, the element relies on vacant and nonvacant sites, including sites in Specific Plan Areas and within the Mixed-Use Overlay area. 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: On page H-67, the element states that approved projects and accessory dwelling units (ADUs) are counted toward RHNA progress, but neither were described. As you know, the City's RHNA may be reduced by the number of new units built since June 30, 2021, however, if the City is utilizing approved projects towards the RHNA, the element must describe the City's methodology for assigning these units to the various income groups based on actual sales price or rent level of the units and demonstrate their availability in the planning period.

Sites Inventory: While most factors are included, Table B-3 and B-4 must list sites by zoning and general plan designation including identification of the underlying zoning for sites within the overlay. Table B-5 must describe existing uses for any nonvacant sites and include a calculation of the realistic capacity of each site by income category. The element must also include a general map of identified sites. In addition, a number of sites listed in the inventory have existing uses on the sites (including almost all sites in the Housing Opportunities overlay). To address this requirement, the element describes in general the existing use of each nonvacant site for example "retail". This alone is not adequate to demonstrate the potential for redevelopment in the planning period. The description of existing uses should be sufficiently detailed to facilitate an analysis demonstrating the potential for additional development in the planning period. Lastly, Table B-3 (Underutilized Sites) contains sites listed as vacant, the element should clarify if the sites are vacant or have existing uses.

Previously Identified Nonvacant and Vacant Sites: If nonvacant sites identified in a prior adopted housing element or vacant sites identified in two or more consecutive planning periods, the sites are inadequate to accommodate housing for lower-income households unless:

- The site's current zoning is appropriate for the development of housing affordable to lower-income households by either including analysis or meeting the appropriate density, and
- The site is subject to a housing element program that requires rezoning within three years of the beginning of the planning period to allow residential use by-right for housing developments in which at least 20 percent of the units are affordable to lower-income households. (Gov. Code, § 65583.2, subd. (c).)

Electronic Sites Inventory: 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. 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 at 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 Table B-2 indicates that realistic capacity is calculated at 80 percent of maximum allowable densities, the element must also provide support for these assumptions. In addition, the element must describe the realistic capacity for residential development for all zones identified in the sites inventory. For example, the element should demonstrate what specific trends, factors, and other evidence led to these assumptions. 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 that jurisdiction. The element also needs to analyze the likelihood that the identified units will be developed as noted in the inventory in zones that allow 100 percent nonresidential uses (e.g., mixed-use) and in the overlay zone where development can occur pursuant to underlying zoning. This analysis should consider the likelihood of nonresidential development such as land use controls allowing 100 percent nonresidential uses, performance standards, and development trends supporting residential development.

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).).

Suitability of Nonvacant Sites: While the element identifies nonvacant sites to accommodate the regional housing need for lower-income households, it provides no description or analysis of the potential for redevelopment. The element must analyze the extent that existing uses may impede additional residential development. The element can summarize past experiences converting existing uses to higher density residential development, include current market demand for the existing use, provide analysis of existing leases or contracts that would perpetuate the existing use or prevent additional residential development and include current information on development trends and market conditions in the City and relate those trends to the sites identified. The element could also consider indicators such as age and condition of the existing structure expressed developer

interest, low improvement to land value ratio, and other factors. For sites with residential uses, the inventory could also describe structural conditions or other circumstances and trends demonstrating the redevelopment potential to more intense residential uses.

In addition, since the housing element relies upon nonvacant sites to accommodate all of the RHNA for lower-income households, the housing element must demonstrate that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2)).

Accessory Dwelling Units (ADU): The element indicates that ADUs are being used to meet accommodate a portion of the City's RHNA (p. H-67) but it does not provide any information on the units' affordability, overall ADU count, or associated methodology or calculation. If the City is relying on ADUs to meet a portion of the RHNA, it must include an analysis supporting the realistic capacity of ADU's in the planning period based on the number of units approved in the previous planning period, the need for the units in the community, the resources, or incentives available for their development, affordability of the units, and any other relevant factors.

Availability of Infrastructure: The element must demonstrate sufficient existing or planned water, sewer, and other dry utilities supply capacity, including the availability and access to distribution facilities to accommodate the regional housing need for the planning period. Based on the information in the element, the City does not have sufficient water capacity to accommodate RHNA and must include programs to address this. The element must also clarify that the City has sufficient sewer and dry utilities capacity to accommodate the RHNA during the planning period and identify service providers for telephone and internet for the City. (Gov. Code, § 65583.2, subd. (b).). Additionally, the element describes a number of infrastructure constraints in Artesia that may limit infill development, such as inadequate fire flow from small pipes in residential neighborhoods. The element should indicate if the City plans to address the inadequate fire flow from small pipes in residential neighborhoods. If not, the element should analyze how the City will be able to meet its RHNA and include programs as appropriate.

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.

Environmental Constraints: While the element describes a number of environmental conditions within the City (p. H-50), it must also indicate if any of the

sites listed in the inventory are affected by the environmental constraints. If so, the element may need to revise the sites analysis or add programs as appropriate.

Zoning for a Variety of Housing Types:

- *Permitted Uses:* Table H-28 (page H-33) and subsequent analysis describes permitted uses for a variety of housing types, but does not address how employee housing, single room occupancy (SROs) units, or mobile home/manufactured housing is allowed. The element must include a description of how the uses are allowed and conformity with applicable state laws.
- *Emergency Shelters:* The housing element must demonstrate the permit processing, development, and management standards for emergency shelters are objective and encourage and facilitate the development of, or conversion to, emergency shelters. In particular, the element describes development standards for emergency shelters, however these standards are beyond the development standards allowed under housing element law. The element must demonstrate that emergency shelters are subject to the same development and management standards applicable to residential or commercial development within the same zone except for those standards prescribed by Government Code section 65583 (a)(4)(A). In addition:
 - The element must demonstrate the M-1 zone still has sufficient capacity to accommodate the identified housing need for emergency shelters. (Gov. Code, § 65583, subd. (a)(4).) For example, identifying the number of parcels, typical parcels sizes, whether the sites are nonvacant, and the potential capacity for adaptive reuse.
 - While the element describes parking standards for emergency shelters on page H-39, it must be revised for compliance with AB 139.
 - While housing element law does allow a jurisdiction to limit the number of beds or persons permitted to be served nightly by a facility, standards must be designed to encourage and facilitate the development of, or conversion to, an emergency shelter. The element must analyze the 30-bed limit as a potential constraint for the development of emergency shelters.
- *Employee Housing:* The element must demonstrate the zoning is consistent with 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.
- *Accessory Dwelling Units (ADUs):* While the element provides general information about ADUs, it must also describe how ADUs are allowed in the City, including compliance with state law and add or modify 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. 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).

Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobile homes, transitional housing). The analysis must also evaluate the cumulative impacts of land use controls on the cost and supply of housing, including the ability to achieve maximum densities and cost and supply of housing. In particular, the element should analyze the two-story height limit in the multifamily (M-R) zone and lot coverage requirements for multifamily housing. In addition, the element should describe if mixed use zones and Pioneer Blvd Commercial allow 100 percent residential development or require commercial as part of the project. The analysis should also describe past or current efforts to remove identified governmental constraints, and the element should include programs to address or remove the identified constraints.

Parking Requirements: The element must analyze the parking requirements (p. H-37) for single-family and multifamily residential dwellings for its impact as a potential constraint on housing. In particular, the element should analyze the two-parking space requirement for studio and one-bedroom apartments and requirements for enclosed parking spaced on the cost and supply of multifamily housing. Should the analysis determine the parking standards or permit procedures are a constraint on residential development, it must include a program to address or remove any identified constraints.

Fees and Exaction: While Table H-33 (Comparative Development Fee Summary) includes some fees for single family and multifamily housing development, it should list all planning and impact fees including a variance, general plan amendment, zone change, site plan review, design review, specific plan, lot line adjustment, school impact fees, water/sewer impact fees, fire impact fees, and any additional fees. The element must also describe all required development fees, including impact fees, and analyze their impact as potential constraints on housing supply and affordability. For example, the analysis should identify the total amount of fees and their proportion to the development costs for both single family and multifamily housing.

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).

SB 35 Streamlined Ministerial Approval Process: The element must include a program to adhere to the SB 35 Ministerial Approval Process for development projects that meet specific requirements.

Local Processing and Permit Procedures: The element states that two-family dwellings and duplexes are allowed in different zones with different permitting procedures. The element should describe the difference between these two housing types and analyze the differences in permit procedures.

While the element includes the processing time for many permit procedures, it must analyze approval times for multifamily developments. For example, the element notes it takes twice as long for a multifamily project to be approved than a single-family development. In addition, the element must describe the approval process and procedures for variances, conditional use permits, administrative review, and the appeals process. The analysis must evaluate the processing and permit procedures' impacts as potential constraints on housing supply and affordability. For example, the analysis should consider processing and approval procedures and time for typical single family and multifamily developments, including type of permit, level of review, approval findings and any discretionary approval procedures.

In addition, the element indicates that single family homes of 5 or more bedrooms require a Conditional Use Permit (CUP). The element must analyze the CUP process as a potential constraint on housing supply and affordability. The analysis should identify findings of approval for the CUP and their potential impact on development approval certainty, timing, and cost. The element must demonstrate this process is not a constraint or it must include a program to address and remove or mitigate the CUP requirement. Additionally, the element's explanation of the CUP process for single family homes of five or more bedrooms describes a discretionary process. Therefore, the element must evaluate this process as a constraint and add or revise programs as appropriate

Design Review: The element must describe and analyze the design review guidelines (e.g., variances, CUPs, planned developments, administrative review, zone change, and appeals process), including approval procedures and decision-making criteria, for their impact as potential constraints on housing supply and affordability. For example, the analysis could describe required 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.

On/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.

Codes and Enforcement: The element must describe the degree and type of code enforcement.

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.

Constraints on Housing for Persons with Disabilities: The element must include an analysis of zoning, development standards, building codes, and process and permit procedures as potential constraints on housing for persons with disabilities. For example, the analysis must describe any zoning code definitions of family and any spacing or concentration requirements for housing for persons with disabilities. (Gov. Code, § 65583, subd. (c)(1)(3).)

Group Homes: The element currently describes permitting requirements for residential care facilities/group homes of six or fewer and seven or more. However, the current standards for group homes and residential care facilities for six or fewer appear to constrain housing for persons with disabilities and must be revised through a program. Additionally, residential care facilities serving seven or more persons are limited to the same zones with the approval of a CUP. While the element references Action 1.4e to address group home requirements, that program only discusses reasonable accommodation procedures. The element should analyze the process as a potential constraint on housing for persons with disabilities and add or modify programs as appropriate to remove CUP requirement for group homes of seven or more persons.

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).)*

Land Costs: The element must provide estimated land costs for sites zoned for single-family and multifamily development.

Developed Densities and Permit Times: The element must include analysis of requests to develop housing at densities below those identified, the length of time

between receiving approval for a housing development and submittal of an application for building permits that potentially. The element must address any hinderance on the development of housing and include programs 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).)*

While the element includes data and a general discussion of housing challenges faced by special needs households, it still must provide an analysis of the existing needs and resources for each special need group including seniors, female-headed households, large householders, and ELI households. For example, the element should discuss the existing resources to meet housing needs (availability of shelter beds, number of large units, number of deed restricted units, etc.), an assessment of any gaps in resources, and proposed policies, programs, and funding to help address those gaps. In addition, the element must provide data on the total number of residents with disabilities.

7. *Analyze the opportunities for energy conservation with respect to residential development. (Gov. Code, § 65583(a)(8).)*

The element describes the City's energy conservation opportunities in residential development but should also describe any incentives offered by the City for energy conservation in its analysis. For example, programs could provide incentives to promote higher density housing along transit, encourage green building techniques and materials in new construction and remodels, promote energy audits and participation in utility conservation programs, and facilitate energy conserving retrofits upon resale of homes.

8. *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).)*

While the element states that there are no at-risk units in CHPC's database, it should clarify if there are any locally funded units at-risk of conversion to market rate. If units are identified at-risk within a ten-year period, an analysis of the "at-risk" units must be included (Gov. Code, § 65583, subd. (a)(9). For further information, see the Building Block page <https://www.hcd.ca.gov/community-development/building-blocks/housing-needs/assisted-housing-developments.shtml>.

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).)

To address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines (i.e. month and year); (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include the following:

- *Ongoing Programs*: A few programs continue to indicate an “ongoing” implementation status. While this may be appropriate for some programs, programs with quantified objectives or specific implementation actions or deliverables must include completion dates resulting in beneficial impacts within the planning period. Programs needing revision include but are not limited to Actions HE 1.1 and 1.2c.
- *Action HE 1.1 (Mortgage Credit Certificate Program)* should describe how often it will promote the program, indicate proactive outreach and how often; and provide quantified objectives.
- *Action HE 1.2a (Maximize External Funding Resources)* should indicate how often the City will monitor and apply for funds as well as how often the City will reach out to developers.
- *Action HE 1.2b (Compliance with State Density Bonus Law)* should update the ordinance within one year of adoption. In addition, the City could commit to annual monitoring and complete updates when state law is revised.
- While *Action HE 1.2c (Participation in Gateway Cities Council of Governments)* identifies tasks that the sub-region could sponsor, it should specify what it will sponsor and describe how often tasks will be performed.
- *Action HE 1.2d (Accessory Dwelling Units)* describes the City's plan to promote ADUs but should also be revised to describe when outreach materials and incentives will be made available and indicate how long the long-term affordability covenant will last.
- *Action 1.2e (Housing for Lower-Income Households)* suggests that the City allows SROs but provides no description as to how/where they are allowed. This program should clarify and describe how and where SROs are allowed in the City. The program should also indicate if the activities and incentives mentioned in the element are already in place. If not, the program must include a timeframe for implementation.
- *Actions 1.4a (Expedited Processing for Special Needs Housing)* and *1.4b (Technical Assistance for Special Needs Housing Development)* should identify which special needs groups are included in the program.
- *Action 1.4e (Reasonable Accommodation)* should include specific timeframe (e.g., month and year) for reasonable accommodation ordinance update as well as when the informational flyers will be available.

- The element should explain the reason for limiting *Action 2.1a (Residential Home Improvement Program)* to the northeast area of the City.
- *Action 2.1b (Outreach to Spanish-speaking Residents)* should indicate if other outreach materials will be available in Spanish.
- Policy HE 2.2 encourages rehabilitation of mobile homes but there is no corresponding program to address the policy. The element should add programs to address this policy.
- *Action HE 2.3a (Priority Code Enforcement)* commits to proactively targeting certain areas of the City. This could potentially lead to unintended discriminatory practices. The element should describe how the City will ensure that this program remains compliant with fair housing regulations. For example, the City could describe its standards for selecting target areas. Additionally, the program should indicate how often target areas will be reevaluated.
- *Action 4.1b (Definition of Family)* should indicate a specific implementation timeframe.
- *Action HE 4.2 (Coordination with Homeless Service Providers)* indicates that the City will continue to “coordinate efforts,” but the program should explain what activities the City is currently doing and how often they will continue throughout the planning period.
- *Action HE 4.3 (Section 8 Housing Choice Vouchers)* should quantify how many households the City intends to assist.
- *Action HE 5.1a (Informational Manuals and Handouts)* should describe how often the City will provide handouts and manuals and how often materials will be updated.
- *Action HE 5.2b (Pre-application Coordination with Developers)* should describe how often the City will meet with developers throughout the planning period.
- *Action HE 5.2c (Expedited Processing and Fee Waivers)* should include a specific implementation component and commitment for expedited processing and fee waivers. In addition, the program should include when the process will be reviewed as well as an implementation date.

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 B4, 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 should be revised as follows:

Rezone Program for Adequate Sites: Currently the element demonstrates a shortfall of adequate sites with zoning currently in place to accommodate the RHNA within the planning period. In order to provide sufficient sites to accommodate the RHNA, Action HE 1.3 (Mixed-Use Overlay) and 3.1b (Provide for Adequate Sites for Housing Development) commits to, among other things, develop a mixed-use overlay and amend the zoning to increase densities and allow residential units in areas that previously did not allow residential development, but does not include the necessary requirements to be consistent with state law. In order to accommodate the lower-income need, the program must demonstrate compliance with Government Code section 65583.2, subdivisions (h) and (i). Specifically, the program must commit to:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a CUP, planned unit development permit, or other discretionary review or approval.
- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed-uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-use project.

Nonvacant Sites Reliance to Accommodate RHNA: As the element relies upon nonvacant sites to accommodate the regional housing need for lower-income households, it should include a program(s) to promote residential development of those sites. The program could commit to provide financial assistance, regulatory concessions, or incentives to encourage and facilitate new, or more intense, residential development on the sites. Examples of incentives include identifying and targeting specific financial resources and reducing appropriate development standards.

Lot Consolidation/Small Sites: As the element relies on consolidated small sites to accommodate the RHNA for lower-income households, it should include a program(s) to facilitate lot consolidation and development of housing on small sites. For example, the program could commit to (1) granting density bonuses above state density bonus law (Gov. Code, § 65915.); (2) deferring fees specifically for consolidation; (3) expediting permit processing; (4) identifying and targeting specific financial resources; and (5) modifying development standards.

Replacement Housing Requirements: The housing element must include a program to provide replacement housing. Nonvacant sites identified in the sites inventory with existing, vacated, or demolished residential uses and occupied by,

or subject to an affordability requirement for, lower-income households within the last five years, require a replacement housing program for units affordable to lower-income households. (Gov. Code, § 65583.2, subd. (g)(3).) Absent a compliant replacement housing program, these sites are not adequate sites to accommodate lower-income households. The replacement housing program must adhere to the same requirements as set forth in Government Code section 65915, subdivision (c)(3).

Transitional and Supportive Housing: Action 1.4c (Transitional and Supportive Housing) must include a more specific timeframe for the update (e.g., month and year) and a clear commitment to permit transitional and supportive housing as a residential use of property and 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).) This is particularly important since the element notes (p. 5) that transitional and supportive housing are limited to 30 occupants or requires a conditional use permit, which is contrary to state law.

Emergency Shelters: While the element includes Action 1.4d (Emergency Shelters and Low Barrier Navigation Centers), the Action should be revised to include a specific timeframe for the update. In addition, the City's emergency shelter development standards contain additional requirements that are a constraint, and the emergency shelter parking standards are not in compliance with AB 139. The element must include a program to revise emergency shelter development and parking standards to be compliant with statutory requirements. Please note that emergency shelters must only be subject to the same development and management standards that apply to residential or commercial development within the same zone except for those standards prescribed by statute.

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) B5 and B6, the element requires a complete analysis of potential governmental and nongovernmental 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.

4. *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).) Program to Affirmatively Further Fair Housing:*

While the element includes Action HE 4.1a which describes how the City responds to fair housing complaints, it must also include actions that promote and AFFH opportunities and address priority issues identified in the AFFH section of the element. For example, the element could include a program committing to implement Government Code section 8899.50(b) which requires the City to administer its programs and activities relating to housing and community development in a manner to AFFH and take no action that is materially inconsistent with its obligation to AFFH.

In addition, programs should address enhancing housing mobility strategies; encouraging development of new affordable housing in high resource areas; improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing; and protecting existing residents from displacement. The programs should also include metrics and milestones for evaluating progress on programs, actions, and fair housing results.

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).)

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 these objectives by income group for construction, the element must also describe any conservation or preservation objectives and describe rehabilitation by income category.

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 indicates that residents were given many opportunities to participate in the housing element process through identifying housing concerns, providing recommendations, and reviewing the draft element, it only describes notices on the City's website, notices mailed to local organizations, and an ad in the local newspaper (p. H-79). The element must demonstrate that diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element could describe the efforts to circulate the housing element among low- and moderate-income households and organizations that represent them and to involve such groups and persons in the element throughout the process. Additionally, the element should describe if translation services were available, and what stakeholders were included in the outreach process. Lastly, the element should also summarize the

public comments and describe how they were considered and incorporated into the element. Moving forward, the City should employ additional methods for public outreach efforts in the future, particularly to include lower-income and special needs households and neighborhoods with higher concentrations of lower-income households.

In addition, HCD understands the City made the element available to the public concurrent with its 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, 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 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.