

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

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November 10, 2022

David Crompton, Chief of Planning  
Development Services Department  
Town of Danville  
510 La Gonda Way  
Danville, CA 94526

Dear David Crompton,

**RE: Town of Danville's 6<sup>th</sup> Cycle (2023-2031) Draft Housing Element**

Thank you for submitting the Town of Danville (Town) draft housing element update received for review on August 15, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. HCD considered comments from YIMBY Law and Greenbelt Alliance, East Bay for Everyone, South Bay YIMBY, Campaign for Fair Housing Elements and YIMBY Law, and Ryan McNamara 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.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the town 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. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

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 (January 31, 2023), then any rezoning to make prior identified sites available or 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). Please be aware, if the Town fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until rezones to accommodate a shortfall of sites pursuant to Government Code section 65583, subdivision (c) (1) (A) and Government Code section 65583.2, subdivision (c) are completed.

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 Town 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 Town 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: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

We are committed to assisting the Town in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Connor Finney, of our staff, at [Connor.Finney@hcd.ca.gov](mailto:Connor.Finney@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager

Enclosure

## **APPENDIX TOWN OF DANVILLE**

The following changes are necessary to bring the Town'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 <https://www.hcd.ca.gov/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at <https://www.hcd.ca.gov/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

### **A. Review and Revise**

*Government Code (GC) Section 65588 requires: "Each local government shall review its housing element as frequently as appropriate to evaluate all of the following: (1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal. (2) The effectiveness of the housing element in attainment of the community's housing goals and objectives. (3) The progress of the city, county, or city and county in implementation of the housing element." (4) The effectiveness of goals, policies, and related actions to meet the community's special housing needs. GC 65583(a)(7)."*

As part of the review of programs in the past cycle, the element must analyze 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). Programs should be revised as appropriate to reflect the results of this evaluation.

### **B. Housing Needs Resources and Constraints**

1. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

*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).)*

*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).)*

Extremely Low-Income Households (ELI): The element includes some basic information regarding ELI households such as the number of households. However, given the unique and disproportionate needs of ELI households, the element must identify their projected housing needs (e.g., 50 percent of the very low-income regional housing needs allocation (RHNA)) and include analysis to better formulate policies and programs. For example, the element should analyze tenure, cost burden and other household characteristics, compare those characteristics to other income and special needs groups then examine the availability of resources to determine gaps in housing needs. Finally, the element should examine the success of past efforts and formulate an appropriate programmatic response given the magnitude of the need. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

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

Special Needs: While the element quantifies the Town's special needs populations, it must also analyze their special housing needs. For a complete analysis of each population group, the element should discuss challenges faced by the population, the existing resources to meet those needs (availability senior housing units, 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.

2. *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).)*

Fair Housing Enforcement and Capacity: The element should discuss how the Town complies with existing fair housing laws and regulations, any past fair housing lawsuits, consent decrees or other related legal matters.

Local to Regional Patterns of Income and Racially Concentrated Areas of Affluence (RCAA): While the element reports on County patterns of income and RCAA, it should also compare the Town as a whole to the County and broader region and evaluate differences. This evaluation should also consider local data and knowledge and other relevant factors such as historical land use and other practices. Based on a complete analysis, the element should formulate appropriate policies and programs (not limited to the regional housing need allocation (RHNA)) to target significant and meaningful affirmatively furthering fair housing (AFFH) outcomes. This evaluation should utilize HCD's RCAA's data available at <https://www.hcd.ca.gov/affirmatively-furthering-fair-housing>.

Disproportionate Housing Needs: The element includes some general information on persons experiencing homelessness and housing conditions but should also evaluate those needs, impacts and patterns within the Town, such as areas of higher need. For

homelessness, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. For housing conditions, the element should discuss any areas of potentially higher needs of rehabilitation and replacement. The element may utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.

AFFH and Sites Inventory: The element must analyze how the identified sites contribute to or mitigate fair housing issues. An analysis should address all of the income categories of identified sites with respect to location, the number of units by all income groups and how that affects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). If sites exacerbate conditions or isolate the RHNA by income group, the element should identify further program actions (not limited to the RHNA) that will be taken to promote equitable quality of life throughout the community (e.g., housing mobility and new opportunities in higher resource and income areas).

Local Data and Knowledge: The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the Town related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers, Town staff and related local and county planning documents and should include an analysis of the history of exclusionary zoning in the Town.

Other Relevant Factors: While the element mentions various other relevant factors, it generally does not provide enough data or analysis. For example, land use and local opposition does not discuss or examine past practice and experience. This is particularly important given the tenure rates and housing types, trends and lack of housing choices and affordability.

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element must list and prioritize contributing factors to fair housing issues. Contributing factors should result in strategic approaches to inform and connect analysis, goals and actions to address and mitigate fair housing issues. For more information, please see HCD's Guidance Memo at <https://www.hcd.ca.gov/planning-and-community-development/affirmatively-furthering-fair-housing>.

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).)*

Progress in Meeting the RHNA: The Town's RHNA may be reduced by the number of new units built, approved, or pending since June 30, 2022; however, the element must demonstrate their affordability and availability in the planning period. Affordability should

be based on actual sales price, rent level or other mechanisms ensuring affordability (e.g., deed restrictions). Availability should address the status, anticipated completion, any barriers to development and other relevant factors such as build out horizons, phasing and dropout rates to demonstrate the availability or likelihood of development in the planning period.

Realistic Capacity: The estimate of the number of units for each site must be adjusted as necessary, generally based on the land use controls and site improvements and typical densities of existing or approved residential developments at a similar affordability level. The element lists a few recent projects (pp. H-17, H-18 and B-12); however, given the element is assuming 100 percent of maximum allowable densities, it should list all recent projects. The listing should evaluate projects by zone, maximum allowable density, parcel size, number of units, affordability and frequency of exceptions such as density bonuses. This analysis should particularly examine trends based on zones and size of projects and demonstrate those circumstances are similar to circumstances of identified sites. Alternatively, the element could rescale assumptions less than maximum allowable density (e.g., 80 to 90 percent and 50 percent).

In addition, where zoning allows 100 percent nonresidential uses, the calculation of residential capacity should account for the likelihood of 100 percent nonresidential development. For example, the element could analyze all development activity in nonresidential zones allowing 100 percent nonresidential uses, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. This analysis may incorporate any proposed policies such as residential performance standards, prohibition of commercial uses and should clarify that all zones allow residential uses, particularly 100 percent residential uses.

Suitability of Nonvacant Sites: The element must include a description of identified sites and their existing uses and include an analysis demonstrating the potential for additional development on nonvacant sites. The element should analyze the extent that existing uses may impede additional residential development. It 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 Town 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 or property owner interest, existing versus allowable floor area, low improvement to land value ratio, and other factors. The element should also address public comments about the feasibility of individual sites.

In addition, since nonvacant sites accommodate 50 percent or more of the lower-income need, the housing element must describe “substantial evidence” that the existing use does not constitute an impediment for additional residential use on the site. Absent findings (e.g., adoption resolution) 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 RHNA.

Finally, the element identifies sites with existing residential uses. Absent a replacement housing policy, these sites are not adequate sites to accommodate lower-income households. The replacement housing policy has the same requirements as set forth in Government Code section 65915, subdivision (c) (3).

AB 725: To be in compliance, the element should demonstrate that at least 25 percent of moderate-income units will be in areas zoned for at least four units, but not more than 100 units per acre. And that at least 25 percent of above moderate-income units will be located in areas zoned for at least four units of housing per parcel.

Infrastructure: The element should clarify that the Town has sufficient existing and planned total water capacity to accommodate the RHNA.

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 and affordability were successfully developed during the prior planning period 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).) The element lists small sites but must also evaluate whether those sites are suitable to accommodate housing for lower income households and add or modify programs as appropriate. For example, the element could list past consolidations by the number of parcels, number of owners, zone, number of units, affordability and circumstances leading to consolidation and then relate those trends to the identified sites or could explain the potential for consolidation on a site-by-site basis.

Environmental Constraints: While the element mentions various environmental conditions, it should also discuss whether those conditions impact or preclude development on identified sites. This discussion should address any other known conditions and impacts on identified sites (shape, easements, conditions, compatibility) as well as public comments on identified sites (e.g., creeks).

Accessory Dwelling Units (ADUs): The element notes 27 ADUs were permitted in 2020 and 46 in 2021. However, HCD records (annual progress reports) indicate permitted ADUs of 12 in 2018, 20 in 2019, 9 in 2020 and 34 in 2021. The Town should reconcile these figures and adjust assumptions as appropriate (e.g., 20 ADUs per year). In addition, the Town's ADU ordinance may require amendment to comply with ADU law.

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element should clarify by right is without discretionary action, discuss acreage, potential for a shelter including reuse, proximity to transportation and services and areas/sites are not in areas unfit for human habitation (discuss other allowed uses). Also, list and analyze development standards and analyze whether parking requirements comply with AB139/Government Code section 65583, subdivision (a)(4)(A) or include a program to comply with this requirement.



- *Transitional and Supportive Housing:* The element should clarify that transitional and supportive Housing is allowed in all zones allowing residential, including mixed use, and clearly identify the capacity limit as a constraint and specifically commit to removing this constraint in Program 7.1e.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), upon adoption of the housing element, the Town must submit an electronic version of the sites inventory with its adopted housing element to [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov). Please note, the Town 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#element> for a copy of the form and instructions. The Town can reach out to HCD at [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov) for technical assistance.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5)).*

Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobilehomes, transitional housing). In particular, the element should address heights, setbacks and parking and add specific commitment to address constraints. 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. The analysis should also describe past or current efforts to remove identified governmental constraints.

Fees and Exaction: While the element includes entitlement, building and impact fees, it must also include planning fees. The element must describe all required fees for single family and multifamily housing development, including planning fees (e.g., general plan amendment, rezone, conditional use permit, variance), and analyze their impact as potential constraints on housing supply and affordability.

Building Codes and Code Enforcement: The element must clarify which building and zoning code is enforced, including any local amendments to the building code, and analyze their impact as potential constraints on housing supply and affordability.

Processing and Permit Procedures: The element should describe and analyze the total permit and entitlement process for a typical single-family unit and multifamily development. The analysis should address typical processes for a development that complies with zoning, time to complete entitlements, decision-making body, number of hearing and approval findings. The analysis should address impacts on cost, timing, feasibility and approval certainty.



In addition, the Planned Development process should be evaluated as a potential constraint, including whether the process is required, presence or lack of fixed development standards and any other relevant factors for impacts on housing cost, timing, feasibility and approval certainty.

SB 35 Streamlined Ministerial Approval Process: The element must identify and analyze written procedures for the SB 35 Streamlined Ministerial Approval Process and add a program if necessary.

Housing for Persons with Disabilities: The element describes the Town currently has a procedure for requesting and granting a reasonable accommodation for persons with disabilities; however, the element should also describe and evaluate approval findings and the process for providing reasonable accommodations. The element should also include an evaluate the definition of family used in zoning and land use. In addition, the Town should clarify where and how group homes of 7 or more persons are permitted and, based on this analysis, modify Program 7.1.h with specific commitment to revise zoning and procedures to permit with objective standards to facilitate approval certainty similar to other residential uses.

Inclusionary Requirements: The element mentions some research on inclusionary requirements and concludes the requirement is not a constraint, but it must also describe and analyze the Town's inclusionary housing requirements, including its impacts as potential constraints on the development of housing for all income levels. The analysis must evaluate the inclusionary policy's implementation framework, including levels of mandated affordability and the types of options and incentives offered to encourage and facilitate compliance with the inclusionary requirements. The Town could engage the development community to facilitate this analysis.

Zoning Fees and Transparency: The element must list all fees and clarify its compliance with new transparency requirements for posting all zoning and development standards, and fees for each parcel on the jurisdiction's website pursuant to Government Code section 65940.1(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... (Gov. Code, § 65583, subd. (a)(6).)*

Identified Densities and Approval Times: 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.

Land Cost and Availability of Financing: The element must include an estimate of the average cost or the range of costs per acre for single family and multifamily development and available housing financing, including private financing and government assistance programs generally available in the community.

### **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. (Gov. Code, § 65583, subd. (c).)*

Programs must be revised to demonstrate that they will have a beneficial impact within the planning period. Beneficial impact means specific commitment to deliverables, measurable metrics or objectives, definitive deadlines (month, year), dates, or benchmarks for implementation. Deliverables should occur early in the planning period to ensure actual housing outcomes. Examples of programs that should be revised with discrete timing include Programs 6.1.d (Parking Standards for Different Housing Types) and 6.3.b (Accessory Dwelling Unit Regulations).

In addition, examples of programs that should be revised with specific commitment include Programs 1.1.a (Capital Improvement Program), 2.1.a (Downtown Specific Plan), 2.1.b (New Mixed-Use Developments), 6.1.b (Funding Sources to Support Affordable Housing Development), 6.1.d (Parking Standards for Different Housing Types), 6.1.e (Waive Processing Fees for Multifamily Lot Consolidations), 6.3.b (Retention of Affordable Rental Units), 6.3.c (ADU Fee Reductions), 7.1.b (Developmentally Disabled), 7.1.c (Larger Units), 7.1.e (Transitional and Supportive Housing Regulations), 8.1.b (Lot Consolidation and Redevelopment of Nonvacant Sites), and 8.2.a (Building Height).

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B3, the element does not 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 Town 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:

Program 10.3.a (Zoning to Accommodate RHNA): The program appears to commit to rezoning to accommodate a shortfall for the 6<sup>th</sup> cycle housing element. If so, this program must be revised to identify minimum acreage, commitment to appropriate development standards to facilitate maximum densities and meet all by requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). For example, the program should commit to residential only performance standards and to permit owner-occupied and rental multifamily residential use by-right (without discretionary action) for developments in which at least 20 percent of the units are affordable to lower-income households during the planning period.

Programs 6.1.e and 8.1.b (Lot Consolidation): The element is relying on the consolidation of several small lots. The element includes these programs to encourage lot consolidation; however, the program must specifically commit to outcomes beyond reviewing, considering and exploring. This is particularly important given the lack of implementation in the prior planning period. In addition, Program 8.1.b should commit to a minimum menu that will be considered beyond fees to encourage lot consolidations such as expedited review, financial assistance and modification of development standards and density beyond State Density Bonus Law.

Program 7.1.g (Homeless Shelter Regulations): The program currently commits to review and amend regulations where necessary. However, the element should review the regulations as part of this update and based on the outcomes of a complete analysis as noted in Finding B3, the program should specifically identify and commit to revise regulations such as parking or other development standards.

Program 8.1.c (By-right for Prior Housing Sites): The program should commit to permit residential uses by right pursuant to Government Code section 65583.2, subdivision (i) at appropriate densities (e.g., at least up to 30 units per acre).

3. *The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

Assist in Development Programs: The element must include a program(s) with specific actions and timelines to assist in the development of housing for extremely low-, very low-, low-, and moderate-income households, including specific actions to assist housing for persons with special needs (e.g., farmworkers, elderly, homeless and persons disabilities, including developmental). The program should commit the Town to annual outreach with affordable developers to identify development opportunities and further assist through actions such as adopting priority processing, granting fee waivers or deferrals, granting concessions and incentives for housing developments (beyond

density bonus law) that include units affordable to lower and moderate-income households; assisting and supporting or pursuing funding applications.

4. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Finding(s) B4 and B5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the Town may need to revise or add programs and address and remove or mitigate any identified constraints.

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... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B2, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, milestones, and geographic targeting as appropriate and must address housing mobility enhancement (more choices and affordability across geographies), new housing choices and affordability in higher opportunity and income areas (e.g., missing middle housing types), place-based strategies for community preservation and revitalization and displacement protection. Housing mobility and new opportunities in higher resource areas should not be limited to the RHNA and, instead, target meaningful change in terms of fair housing issues.

6. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

The element includes Program 6.3.c to promote the development of ADU's and reduce the cost; however the program should commit rather than "consider" reducing development impact fees for all ADU's. In addition, the program should include additional incentives and monitoring production and affordability every two years in the planning period with alternative actions.

In addition, based on a cursory review, the Town's ADU ordinance does not comply with ADU law. As a result, Program 6.3.b should be revised with a discrete timeline for amending the ordinance (e.g., within six months upon HCD review). HCD will send a review letter under separate cover related to the ADU ordinance.

#### **D. Quantified Objectives**

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

While the element includes quantified objectives for new construction (p. H-33), it must also include rehabilitation and conservation objectives by income group.

#### **E. Public Participation**

*The local government 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 program shall describe this effort. (Government Code 65583(c)(7))*

While the element includes a summary of the public participation process, the element should also demonstrate 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. In addition, the element should also summarize the public comments and describe how they were considered and incorporated into the element. For example, the element should address public comment received by HCD related to environmental and government constraints and site feasibility and discuss how comments were incorporated into the element.

#### **F. General Plan Consistency**

*In construing the provisions of this article, the Legislature intends that the general plan and elements and parts thereof comprise an integrated, internally consistent and compatible statement of policies for the adopting agency (Government Code Section 65300.5).*

The element should add a discussion of how consistency was achieved and will be maintained throughout the planning period.