

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

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April 16, 2021

Carlos Aguirre, Director  
National City Housing Authority  
City of National City  
140 E 12<sup>th</sup> Street, Suite B  
National City, CA 91950

Dear Carlos Aguirre:

**RE: Review of National City's 6<sup>th</sup> Cycle (2021-2029) Draft Housing Element**

Thank you for submitting National City's (City) draft housing element received for review on February 16, 2021, along with revisions received on April 9, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on April 1, 2021 with the City's housing element team. In addition, HCD considered comments from the San Diego Housing Federation 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 revisions needed to comply with State Housing Element Law.

As a reminder, the City's 6<sup>th</sup> cycle housing element was due April 15, 2021. As of today, the City has not completed the housing element process for the 6<sup>th</sup> cycle. The City's 5<sup>th</sup> 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.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of April 15, 2021 for SANDAG localities. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: [http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375\\_final100413.pdf](http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf)

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

For your information, some General Plan element updates are triggered by housing element adoption. 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](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and  
[http://opr.ca.gov/docs/Final\\_6.26.15.pdf](http://opr.ca.gov/docs/Final_6.26.15.pdf).

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

HCD appreciates the hard work and dedication the City's housing element team provided during the course of our review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jose Ayala, of our staff, at [Jose.Ayala@hcd.ca.gov](mailto:Jose.Ayala@hcd.ca.gov).

Sincerely,

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

Shannan West  
Land Use & Planning Unit Chief

## APPENDIX CITY OF NATIONAL CITY

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

### **A. Review and Revision**

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

As part of the evaluation of programs in the past cycle (Table HE-34), the element must provide an explanation of the effectiveness of goals, policies and related action 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, and the accompanying revisions, provide a general overview of Fair Housing issues in the jurisdiction. However, the element, among other things, must include outreach, an assessment of fair housing, analysis of identified sites, 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. While the Regional Analysis of Impediments is a useful data source, the element should also include more localized data and information. HCD will provide additional resources and data under separate coder. For more information, please contact HCD and visit <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

2. *Include an analysis 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).)*

The element provides analysis regarding population and employment trends in the jurisdiction. However, the element must also quantify and analyze the number of

existing extremely low-income households and the projected number of extremely low-income households to fully meet the requirements.

3. *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).)*

The element includes preliminary data regarding household characteristics and the housing stock but must still address several factors, as follows:

- *Overpayment*: Identify and analyze overpayment for lower income households.
- *Overcrowding*: Identify and analyze overcrowded households by tenure (i.e., owner and renter).
- *Housing Conditions*: Estimate of the number of units in need of rehabilitation and/or replacement. For example, the City can use local data collected from 5<sup>th</sup> Cycle Programs 3 and 4 to meet this requirement.
- *Housing Types*: Provide additional information regarding housing units by type, for example, the number of single-family, duplex, multifamily, mobile home (etc.) units throughout the jurisdiction.
- *Housing Costs*: Provide cost information for rents by housing types. Currently, the element analyzes single-family and condominium units, but does not provide any rental information.

Please contact HCD with any data needs and visit the Building Blocks for additional guidance at <https://www.hcd.ca.gov/community-development/building-blocks/index.shtml>.

4. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

The City has a regional housing need allocation (RHNA) of 5,437 housing units, of which 1,151 are for lower-income households. To address this need, the element relies on nonvacant sites, including sites in Specific Plan Areas and within the Mixed-Use Transit Corridor. 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: The City's RHNA may be reduced by the number of new units built since June 30, 2020, however, 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.

Realistic Capacity: The element explains a “discount factor” of either 0.60 or 0.65 is being applied to the maximum density of sites. While generally a safe assumption, given the reliance on sites in the non-residential zones, the element must also analyze the likelihood for 100% non-residential development to support realistic capacity assumptions.

Suitability of Non-Vacant Sites: The element must include an analysis to demonstrate the potential for redevelopment. The analysis shall consider factors including, but not limited to, the extent existing uses constitute an impediment, recent developments, development trends and market conditions. In addition, if relying on non-vacant sites to accommodate 50 percent or more of the housing needs for lower-income households triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. The element provides examples of past projects but does not relate those projects to sites currently listed in the inventory. Furthermore, the element states that the City has either discussed the potential redevelopment with the property owner, the site has been analyzed through a separate planning study, is available on the market, or the site has been entitled, but does not relate that information to the site inventory. The element must still evaluate whether existing uses will likely discontinue in the planning period. HCD will provide examples of adequate analyses under separate cover.

Small Sites: The element identifies several sites at less than a half-acre. These sites are not eligible absent a demonstration that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless other evidence is provided. The inventory indicates some sites can be consolidated but should also provide analysis demonstrating the potential for consolidation. For example, the analysis could describe the City’s role or track record in facilitating small-lot consolidation, policies or incentives offered or proposed to encourage and facilitate lot consolidation, conditions rendering parcels suitable and ready for lot consolidation, or information from the owners of each aggregated site.

Suitability and Availability of Infrastructure: The element gives a general overview of water and sewer infrastructure but must also describe if there is sufficient infrastructure capacity to meet the RHNA. Additionally, the element acknowledges the requirement to grant water and sewer priority for developments with units affordable to lower-income households but must also describe how the City meets these requirements.

Sites with Zoning for a Variety of Housing Types: The element generally describes how housing types are permitted by zone, but must address all housing types, such as multifamily housing and accessory dwelling units (ADUs). Specifically, the analysis must address zoning consistent with the Employee Housing Act (Health and Safety Code sections 17021.5, 17021.6 and 17021.8), by-right permanent supportive housing (Government Code section 65651), low barrier navigation centers (Government Code section 65660), group homes or residential care facilities, including for seven or more

persons, and single-room occupancy units. The element must include programs as appropriate based on the outcomes of this analysis.

5. *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).)*

Fees and Exactions: Currently, the element generally explains the cost of construction for a single-family residence. However, the element should also address the cumulative impact or total fees on the development costs of a typical single-family and multifamily development within the jurisdiction. HCD will send a regional fee study under separate cover. Additionally, the element must clarify its compliance with new transparency requirements for posting fees and inclusionary requirements on the jurisdiction's website.

Local Processing and Permit Procedures: The element provides a general overview of the City's processing and permit procedures. However, the element should provide average processing times for single-family and multifamily developments. This can be included in the form of a narrative. Additionally, the element must clarify compliance with a streamlined ministerial approval process pursuant to Government Code section 65913.4 (Senate Bill 35, 2017).

On/Off-Site Improvements: The element provides a general overview of the site improvement requirements but should list and analyze the actual standards including typical on- and off-site improvements.

Codes and Enforcement: The element generally describes that there are local amendments to the California Building Code but should also clarify the actual amendments and analyzes impacts on housing costs. Furthermore, the element must fully describe the code enforcement process and whether enforcement is done on a proactive, reactive, and/or complaint basis.

Constraints on Housing for Persons with Disabilities: The element briefly describes its reasonable accommodation procedures but should further explain its reasonable accommodation criteria and process and analyze the family definition as a potential constraint.

Zoning and Development Standards: 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.

6. *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).)*

The element must include analysis regarding local efforts to address non-governmental constraints that create a gap in the jurisdiction's ability to meet RHNA by income category, an identification and analysis of requests to develop at densities below the density identified in the site inventory, and a description of the length of time between project approval and request for building permit that hinders the jurisdiction's ability to accommodate RHNA by income category. For example, the City can look at recent developments in the jurisdiction and identify any non-governmental constraints.

7. *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).)*

The element provides a general overview of the different special housing needs groups, but additional analysis is needed to fully meet requirements, as follows:

- *Persons with Disabilities:* Identify and analyze data by disability type.
  - *Elderly:* Identify and analyze elderly tenure (i.e., owner and renter).
  - *Large Households:* Identify and analyze large households as households comprised of 5 or more persons; currently, the element uses a standard of 4 or more persons per household.
  - *Farmworkers:* Identify and analyze the housing needs of farmworkers relative to the region. Farmworkers may choose to live within a city in order to ensure higher access to services but travel to more rural areas of the County for work. Comparing National City's farmworker population relative to the region would help fully describe the farmworker housing need. HCD will provide data under separate cover.
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, subd. (a)(9)(D).)*

The element currently provides a general overview of assisted housing projects at risk of converting to non-low income uses. However, the element should also describe the local efforts to maintain affordability of National City Park Apartments I and II, beyond having conversations with the property owner. The element should describe specific actions and timeframes to ensure continued affordability of these units. Additionally, the element must identify qualified entities and potential funding to preserve affordability.

### **C. Housing Programs**

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

As noted in the Finding B4, the element does not include a complete analysis. Based on the results, programs may need to be added, or revised.

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

The element must include a program which specifically assists the development of adequate housing to meet the needs of extremely low-, very low-, low-, and moderate-income households, including persons with special needs. HCD will provide examples under separate cover.

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 Findings B5 and B6 the element requires a complete analysis of potential non-governmental and governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.



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

Based on the outcomes of analysis of household characteristics and housing conditions as noted in Finding B3, the element must include programs to conserve and improve the condition of the existing affordable housing stock.

5. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in finding B1, the element must include a complete analysis of affirmatively furthering fair housing. Based on the outcome of that analysis, the element must add or modify programs.

6. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

As noted in Finding B8, the element does not include a complete analysis, and based on the result of a complete analysis, the City should add or modify programs to preserve units at-risk of converting to non-low income uses.

#### **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 objectives for new construction and conservation, it must also include rehabilitation objectives and include objectives for extremely low-income households.

## **E. Coastal Zone Localities**

The element explains the City is located within the Coastal Zone and may be subject to reporting on affordable housing requirements. However, the City may be exempt from this requirement if the total Coastal Zone area is less than 50 acres of land, in aggregate, is vacant and available for residential use. The City should analyze this requirement and provide additional information if not exempt. Specifically, the housing element must identify the number of low- and moderate-income dwelling units that have been replaced, demolished, and/or converted, within the coastal zone, since January 1, 1982. The element must also identify the number of residential dwelling units for low- and moderate-income households that have been constructed or required for replacement within the coastal zone. For additional information and a sample program, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/analysis-consistency-general-plan.shtml>.