

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

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December 20, 2021

Joe Lambert, Director
Development Services Department
City of Placentia
401 East Chapman Avenue
Placentia, CA 92870

Dear Joe Lambert:

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

Thank you for submitting the City of Placentia's (City) draft housing element received for review on October 21, 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. In addition, HCD considered comments from the Campaign for Fair Housing Elements; Kennedy Commission; and People for Housing Orange County, 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.

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).

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.

HCD appreciates your efforts in the preparation of your draft element. 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 Chelsea Lee, of our staff, at Chelsea.Lee@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF PLACENTIA

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, the element must provide an explanation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers and persons experiencing homelessness).

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing 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 provides a general overview of affirmatively furthering fair housing (AFFH), beginning on page 2-22, including general information on outreach and segregation and integration. However, it generally does not address this requirement. The element, among other things, must include outreach, an assessment of fair housing, analysis of the sites inventory, identification, and prioritization of contributing factors to fair housing issues and goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity. For further guidance, please visit HCD's AFFH in California webpage at <https://www.hcd.ca.gov/community-development/affh/index.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).)

Extremely Low-Income (ELI) Households: While the element quantifies existing and projected ELI households, it must also analyze their housing needs. For example, the element should analyze tenure, cost burden and other household characteristics then examine the availability of resources to determine gaps in housing needs. To assist the analysis, see the enclosed data and sample analysis at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

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).)*

Overpayment: While the element includes some general information on overpayment, it must also quantify and analyze the total number of households overpaying by tenure, including lower-income households. For additional information and sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Housing Stock Condition: The element estimates over 200 units need rehabilitation (p. 2-8). However, the element should clarify the data sources utilized in arriving at the City's estimation. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable organizations. In addition, the element should include an estimate of the number of units in need of replacement. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

Housing Costs: While the element identifies housing price trends and median home sales prices on page 2-10, it must also identify median rental prices to reflect current market conditions.

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).)*

Regional Housing Need Allocation (RHNA): The element's identified RHNA, dated March 4, 2021 and prior to HCD approval, is incorrect (p. 2-21). This RHNA does not reflect changes made to the City's RHNA and approved on July 1, 2021. For additional information, see <https://scag.ca.gov/sites/main/files/file-attachments/6th-cycle-rhna-final-allocation-plan.pdf?1625161899>.

Sites Inventory: The sites inventory lists the existing uses for nonvacant sites. However, these descriptions are generic (e.g., residential, industrial) and should be sufficiently detailed to facilitate an analysis that the use will likely discontinue in the planning period.

Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory, it must also provide support for these assumptions. For example, the element should demonstrate what specific trends, factors, and other evidence led to the 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, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities. In addition, the estimate must also account for land use controls such as allowing 100 percent nonresidential uses. To demonstrate the likelihood for residential development in nonresidential zones, the element could describe any performance standards mandating a specified portion of residential and any factors increasing the potential for residential development such as incentives for residential use, and residential development trends in the same nonresidential zoning districts.

Suitability of Nonvacant Sites: While the element identifies nonvacant sites to accommodate the regional housing need for lower-income households, it provides no methodology or description of their potential for redevelopment. The element must describe the methodology used to determine the additional development potential within the planning period. The methodology must consider factors including the extent to which existing uses may impede additional residential development, development trends, market conditions, any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, and regulatory or other incentives or standards to encourage additional residential development on these sites. (Gov. Code, § 65583.2, subd. (g).)

In addition, the housing element appears to rely upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings (e.g., 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 regional housing need allocation.

Finally, if element utilizes 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).

Sites Identified in Prior Planning Periods: Sites identified in prior planning periods shall not be deemed adequate to accommodate the housing needs for lower-income households unless a program, meeting statutory requirements, requires rezoning within

three years. The element should clarify if sites were identified in prior planning periods and if so, which sites and include a program if utilizing previously identified sites in the current planning period. For more information on program requirements, please see HCD's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

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

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 RHNA, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/priority-for-water-sewer.shtml>.

Environmental Constraints: While the element generally describes a few environmental conditions within the City (pp. 3-17 to 3-20), it must also describe any known environmental constraints or other conditions on identified sites that could impact housing development in the planning period. In addition, the element notes consolidation or other factors may impact development on sites identified to accommodate housing for moderate and above moderate-income households and as a result, it should include analysis, adjustments and policies and programs to demonstrate the feasibility of these sites in the planning period.

Affirmatively Furthering Fair Housing: The element must demonstrate the sites inventory AFFH. For more information, see HCD's guidance at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

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

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Accessory Dwelling Units (ADU): The element projects 56 ADUs over the planning period or approximately seven ADUs per year over the eight-year planning period. According to HCD records, 2 units were permitted in 2018, two were permitted in 2019, and five permitted in 2020. These trends do not support an assumption of seven ADUs per year. To support assumptions for ADUs in the planning period, the element should reconcile trends with HCD records, adjust assumptions as appropriate and include additional information such as more recent permitted units and inquiries, resources and incentives, other relevant factors and modify policies and programs as appropriate.

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

- *Emergency Shelters*: The element must demonstrate the M (Manufacturing) zone still has sufficient capacity to accommodate the identified housing need for emergency shelters. For example, the element should identify acreage, typical parcels sizes, whether the sites are nonvacant, and the potential capacity for adaptive reuse. In addition, Municipal Code Section 23.47.130, subdivision (5) appears to constrain the development of emergency shelters by imposing spacing requirements of at least 300 feet from any residential use or residentially zoned property, public or private park, or school. The element should analyze spacing requirements for as potential constraints on emergency shelter and add a program as necessary. For additional information and a sample analysis, see the Building Blocks at http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb2_memo050708.pdf.
- *Employee Housing*: The Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. The element should demonstrate consistency with these requirements and include programs if necessary.
- *Manufactured Housing*: The element did not address this requirement. The element must demonstrate zoning permits manufactured housing in compliance with Government Code section 65852.3, similar to single family uses.
- *Permanent Supportive Housing*: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.
- *Accessory Dwelling Units*: This housing type appears to be excluded from several residential zones, inconsistent with state law. The element should evaluate compliance with state ADU law and include programs as appropriate.

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).)

Land Use Controls: The element must also analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobilehomes, 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. Specifically, the analysis should address multifamily height and parking requirements, including requirements for garages and impacts on one-bedroom and studio units. In addition, the analysis should identify and analyze the standards for the Old Town (OT) and Transit Oriented Development (TOD) zones, including all subdistricts. The element should include programs to address and remove or mitigate identified constraints.

Development Plan Review (DPR): The element notes multifamily uses are subject to a DPR by the Planning Commission but should also analyze this process. The analysis should address typical number of hearings, approval findings and timing and evaluate impacts on housing cost, timing, supply and approval certainty.

Fees and Exactions: While the element includes a summary of total fees for typical single family and multifamily, it should also list and analyze planning fees (e.g., DPR, rezone, general plan amendment, variance, conditional use permit).

Housing for Persons with Disabilities: The element states the City has a reasonable accommodation procedure (p. 3-11), but it should also analyze the procedure for potential constraints. The analysis should address the process, application requirements and approval findings. In addition, the element indicates group homes for six or fewer persons are permitted in residential zones but should also address whether group homes for seven or more persons are permitted, how and where they permitted and include programs as appropriate. For additional information and a sample program and ordinance, see the Building Blocks at http://www.hcd.ca.gov/hpd/housing_element2/PRO_mitigate.php.

Codes and Enforcement: Although the element mentions it follows the California Building Code, it also indicates it processes local amendments to “further define requirements based on the unique local conditions” (p. 3-15). The element must describe the City’s building and zoning code enforcement processes and procedures and identify and analyze any local amendments to the building code for impact as potential constraints on housing cost and supply. For additional information and a sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

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.

SB 35 Streamlined Ministerial Approval Process: The element must identify and analyze whether the City has written procedures to implement the SB 35 Streamlined Ministerial Approval Process and include a program if necessary.

Zoning, Development Standards and Fees: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards and fees for each parcel on the jurisdictions' website and add a program to address these requirements if necessary.

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).)*

Identified Densities and Approval Times: The element did not address these requirements. The element must address requests to develop housing at densities below those anticipated in the sites inventory and the length of time between receiving approval for housing development and submittal of application for building permits. The analysis must address any hinderances on housing development and programs should be added as appropriate.

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).)*

While the element quantifies several of the City's special needs populations, it must analyze the special housing needs of each of these groups. 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 of senior housing units, percent of large units, percent 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 indicates there are approximately 136 total jobs and 80 full-time year-round jobs in the agricultural industry within the City (p. 2-18); however, the analysis does not consider the regional context. Farmworkers from the broader area and those employed seasonally may have housing needs that are not currently reflected in the analysis. As a result, the element should at least acknowledge the housing needs of farmworkers at a county level (e.g. USDA county-level farmworker data) and include programs as appropriate.

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, subdivisions (c) (1-6), and to facilitate implementation, several programs should be revised to include more discrete timing, rather than “ongoing” or in “process.” Examples include actions under Programs 1.8 (Adequate Sites for Housing Development), 1.14 (Housing for Persons with Special Needs), 1.15 (Transit-Oriented Development), 3.1 (Community Based Neighborhood Rehabilitation), 3.3 (Placentia Rehabilitation Grant Program), 4.1 (Partnerships with the Housing Industry), and 4.2 (Participation in Continuum of Care Forum). In addition, many programs do not contain specific and clear commitments to complete a deliverable or action that will have a tangible and beneficial impact in the planning period and, as a result, should be revised. For example, actions under Programs 1.1 (Manufactured Housing and Mobile Homes), 1.2 (Locate Housing Near Transportation, Employment and Services), 1.3 (Pursue County, State, and Federal Housing Funds), and 1.15 (Transit-Oriented Development) commit to “preserve,” “encourage,” and “increase,” which does not result in any tangible outcomes.

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.

Shortfall of Sites: The element describes a shortfall of sites, particularly for the moderate and above moderate income RHNA, and indicates rezoning will occur to accommodate the RHNA. While the element includes Program 1.8 (Adequate Sites for Housing Development), it must specifically commit to acreage, allowable densities, and anticipated units. In addition, if necessary, to accommodate the housing needs of lower-income households, the program should specifically commit to rezoning pursuant to Government Code section 65583.2, subdivisions (h) and (i).

Sites Identified in Multiple Planning Periods: If identifying sites utilized in prior planning periods, the element must include a program for vacant sites identified in two of more consecutive planning periods' housing elements or nonvacant sites identified in a prior housing element, that are currently identified to accommodate housing for lower-income households. The program must be implemented within the first three years of the planning period and commit to zoning that will meet the density requirements for housing for lower-income households and allow by-right approval for housing developments that include 20 percent or more of its units affordable to lower-income households. (Gov. Code, § 65583.2, subd. (c).)

Replacement Provisions: The element should include a policy replacing units on sites with existing residential uses pursuant to Government Code section 65583.2, subdivision (g).

Program 1.5 (Infrastructure Provision): Because the element indicates that the City's future housing needs would place greater demands on its sewage infrastructure (pg. 3-20), the program could identify additional funding sources, such as CDBG, IBank, and USDA funds, to address infrastructure constraints and prioritize identified areas with infrastructure constraints for improvement. For a list of funding opportunities, see HCD's Financial Assistance Program Directory at http://hcd.ca.gov/fa/LG_program_directory.pdf. Other resources include the California Financing Coordinating Committee (CFCC).

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).)*

While the element includes Programs 1.3 (Pursue Funding), 1.8 (Adequate Sites) and 1.14 (Housing for Persons with Special Needs), these programs should be revised with specific and proactive outreach efforts with developers of affordable housing on an annual basis.

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 Findings 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.

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 AFFH . Based on the outcome of that analysis, the element must add or modify programs. For more information, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/affh/index.shtm>.

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).)*

The element identifies the Imperial Villas project, with 58 units at-risk, of converting to market-rate uses in the planning period. Program 3.5 (Monitoring At-Risk Units) should be revised to comply with noticing requirements, provide education and assistance to tenants, assist with funding, and promptly reach out to qualified entities to preserve at-risk housing units.

7. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, "accessory dwelling units" has the same meaning as "accessory dwelling unit" as defined in paragraph (4) of subdivision (i) of Section 65852.2. (Gov. Code, § 65583, subd. (c)(7).)*

As indicated in Finding B4, the element may need to include a program to amend the City's ADU ordinance. In addition, programs must be expanded to include incentives to promote the creation and affordability of ADUs. Examples include exploring and pursuing funding, modifying development standards and reducing fees beyond state law, increasing awareness, pre-approved plans and homeowner/applicant assistance tools. Finally, given the City's assumptions for ADUs exceed recent trends, the element should include a program to monitor permitted ADUs and affordability every other year and take appropriate action such as adjusting assumptions or rezoning within a specified time period (e.g., 6 months).

D. 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).)

Although the element includes a general summary of the public participation process (p. 1-4 and in Appendix A), HCD has received public comments from groups concerned that the City has not demonstrated diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element should address public comments received, could describe the efforts to circulate the housing element among low- and moderate-income households and organizations that represent them and 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 additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml>.

In addition, it is unclear when the City made the element available to the public prior to submitting to HCD. 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 revising 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.