

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

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September 3, 2021

Manuel Muñoz, Planning Manager  
Planning Division  
City of Azusa  
213 E. Foothill Blvd.  
Azusa, CA 91702

Dear Manuel Muñoz:

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

Thank you for submitting the City of Azusa's (City) draft housing element received for review on July 6, 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 August 30, 2021 with you; Dean Flores, Assistant Planner; and Genevieve Sharrow and Diana Gonzalez of MIG. In addition, HCD considered comments from Josh Albrektson 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). In particular, further analysis is needed to demonstrate the feasibility of sites, certain programs require additional commitments, and a number of requirements regarding the affirmatively furthering fair housing (AFFH) obligation must be addressed. The enclosed Appendix describes these, and other revisions needed to comply with State Housing Element Law.

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 October 15, 2021 for Southern California Association of Governments (SCAG) 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).

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](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).

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

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

HCD is 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 Colin Cross, of our staff, at (916) 820-1275 or [colin.cross@hcd.ca.gov](mailto:colin.cross@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" and the last name "West" clearly distinguishable.

Shannan West  
Land Use & Planning Unit Chief

Enclosure

## **APPENDIX**

### **City of Azusa**

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 (AFFH) 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 & Outreach: The element relies on the 2018 Analysis of Impediments (AI) to Fair Housing Choice for the Los Angeles County Development Authority and Housing Authority of the County of Los Angeles, and provides certain data at the regional level, but does not examine the City's capacity for fair housing enforcement and outreach in the same manner. The element must include the City's ability to provide enforcement and outreach capacity, which can consist of actions such as the City's ability to investigate complaints, obtain remedies, or the City's ability to engage in fair housing testing.

Integration and Segregation: The element includes dissimilarity indices for Los Angeles County but does not provide any data or analysis regarding segregation by race and ethnicity for the City itself. The element must also analyze segregation and integration of familial status, income, and persons with disabilities locally and regionally complemented by data and concluding with a summary of issues.

Racially/Ethnically Concentrated Areas of Poverty (R/ECAP): The element confirms that there are no R/ECAPs in the City but does not provide any analysis of R/ECAPs at the regional level. In addition, the element should also analyze any racially concentrated areas of affluence (RCAAs), if applicable, at both the local and regional levels. The analysis should evaluate patterns and changes over time and consider other relevant factors, such as public participation, past policies, practices, and investments and demographic trends.

Access to Opportunity: The element must analyze local and regional disparities in access to opportunity through local, federal, and/or state data. The element currently refers to a single composite index from the 2018 Analysis of Impediments (AI) and lists the City's score on this index without providing additional analysis. This is not sufficient to address this requirement. A complete analysis should address educational, economic, transportation, and environmental scores at the local and regional level, and describe any factors that are unique to Azusa in those regards.

Disproportionate Housing Needs: A complete analysis of disproportionate housing needs should address cost burden, overcrowding, substandard housing, homelessness, and displacement risk. The element includes information on displacement risk but does not address the remaining categories of analysis.

Contributing Factors: The element lists and prioritizes contributing factors to fair housing issues, the majority of which come directly from the 2018 AI. The contributing factors identified must be drawn from a complete analysis, which the element does not contain. Pending the results of a complete analysis, the element should add, remove, or modify contributing factors. Additionally, contributing factors should be few in number and local in nature, so as to identify the most important fair housing issues the City can address. The list of contributing factors should be culled to contain only the most salient factors that are unique to Azusa.

Site Inventory: The element includes a map of the site inventory and states that the proposed sites are geographically distributed in a manner that AFFH (p. H-5-20). This alone is not adequate to satisfy the requirement that the site inventory AFFH. The site inventory analysis should address how the sites are identified to improve conditions (or if sites exacerbate conditions, how a program can mitigate the impact) and should be supported by local data and knowledge. Sites should be evaluated with respect to each of the four categories of analysis in the Assessment of Fair Housing (AFH) (e.g., Segregation & Integration, R/ECAPs, Access to Opportunity, and Disproportionate Housing Needs).

Goals, Priorities, Metrics, and Milestones: Goals and actions must significantly seek to overcome contributing factors to fair housing issues. Currently, the element identifies programs to encourage and promote affordable housing; however, most of these programs do not appear to facilitate any meaningful change nor address AFFH requirements. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results.

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

The City has a regional housing needs allocation (RHNA) of 2,651 housing units, of which 1,128 are for lower-income households. To address this need, the element relies on vacant and nonvacant sites, including sites designated for residential and mixed-use. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses per the below findings.

Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov) for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov).

Site Inventory: The element must identify the number of units by income category for each site. The element groups income categories together when identifying the realistic capacity for each site (Appendix B).

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 currently assumes 80% buildout for vacant residential sites in the LDR, MDR, and MODR zones, stating that this is a conservative estimate based on the densities of most residential developments in those zones. This statement alone is not adequate to support the assumption of 80% buildout. A complete analysis should demonstrate what specific trends, factors, and other evidence led to the assumptions; this should include but is not limited to evidence of recent developments that reflect the trends being used. The estimate of the number of units for each site may need to 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.

For sites in zones that allow nonresidential uses, the element also needs to analyze the likelihood that the identified units will be developed as noted in the inventory. This analysis should consider the likelihood of nonresidential development, performance standards, and development trends supporting residential development.

For small sites in the Azusa Transit Oriented Development Specific Plan (TODSP), the element assumes a density of 52 dwelling units per acre (du/ac). This assumption does not appear to be in line with the trends provided. Small sites of one-half acre or less are demonstrated in the element to have an average density of 28 du/ac (pp. H-5-13 – 14); the element raises this average by including a .80-acre

site at 128 du/ac which does not fit the definition of small sites found in statute. The realistic capacity assumption for small sites in the TODSP should be adjusted to reflect the trends in that area.

Suitability of Nonvacant Sites: The element relies on nonvacant sites and demonstrates their suitability using a variety of factors, including expressed interest from property owners or developers, age of structure, and improvement value to land value ratios. Additional clarification is needed regarding factors used and what thresholds were used to determine viability of sites. For example, low floor area ratio (FAR) is considered, but the element does not indicate what threshold of FAR would have made a site suitable for redevelopment and how this factor relates to the suitability of nonvacant sites.

The element also does not describe the existing uses of these sites in detail. A complete analysis should account for the existing uses on these sites and whether those uses may pose an impediment to redevelopment. In particular, the element's reliance on a high number of existing residential sites requires further support, such as evidence of existing trends in residential redevelopment, in order to demonstrate suitability.

The element also relies on sites owned by religious institutions to satisfy a portion of the RHNA. Further support and analysis are needed to demonstrate the feasibility of these sites. For example, the element could describe whether property owners or developers have expressed any interest in these sites, how residential uses are compatible with underlying zoning, and what actions the City is taking to make such development more feasible.

Since the element relies on nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, the City must demonstrate that the existing use is not an impediment to additional residential development in the planning period. This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period.

Small Sites: For small parcels anticipated to be consolidated, the element must demonstrate the potential for lot 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 redevelopment, recent trends of lot consolidation, and/or information on the owners of each aggregated site.

Accessory Dwelling Units (ADUs): The element assumes an average of 44 ADUs per year will be constructed during the planning period, for a total of 366 ADUs. The element's analysis and programs do not support this assumption. Specifically, in addition to other methods, HCD accepts the use of trends in ADU construction since January 2018 to estimate new production. Based on past production between 2018 to 2020, the City is averaging about 10 ADUs per year. To support assumptions for ADUs in the planning period, the element could reduce the number of ADUs assumed per year or reconcile trends with HCD records, including additional information such as

more recent permitted units and inquiries, resources and incentives, other relevant factors and modify policies and programs as appropriate. The element should support its ADU assumptions based on the number of ADU permits issued, not the number of ADU applications. Further, the element's ADU program (Program H3-4) should commit to additional incentives and strategies, frequent monitoring (every other year) and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., 6 months) if ADU assumptions for the number of units and affordability are not met.

Suitability and Availability of Infrastructure: The element should confirm that the infrastructure available for all sites in the inventory includes water, sewer, and dry utilities.

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's housing element, including the City's housing needs and regional housing need. For additional information and sample cover memo, see the Building Blocks at <https://www.hcd.ca.gov/community-development/building-blocks/other-requirements/priority-for-water-sewer.shtml>

Sites With Zoning for a Variety of Housing Types:

- *ADUs:* The element indicates the City has adopted a zoning ordinance to ease barriers to the development of ADUs. However, after a cursory review of the City's ordinance, HCD discovered several areas which were not consistent with State ADU Law, including but not limited to limitations on location, height, and number of bedrooms. HCD will provide a complete listing of ADU noncompliance issues under separate cover. The element should add a program, or modify Program 3-4 (ADUs), to update the City's ADU ordinance in order to comply with State law. For more information, please consult HCD's ADU Handbook, published in December 2020, which provides detailed information on new state requirements surrounding ADU development; HCD's ADU Handbook is available on our website: [https://www.hcd.ca.gov/policy-research/docs/adu\\_december\\_2020\\_handbook.pdf](https://www.hcd.ca.gov/policy-research/docs/adu_december_2020_handbook.pdf).
- *Emergency Shelters:* The element describes a zone to permit emergency shelters and describes the capacity to accommodate the need for emergency shelters. The City must ensure that the zoning adheres to the new parking requirement standards per AB 139 (Chapter 335, Statutes of 2019). AB 139 requires that the zone for emergency shelter allows for sufficient parking for the staff of the emergency shelter. The element must include programs as appropriate based on the outcomes of this analysis.
- *Transitional & Supportive Housing:* The element does not adequately address requirements for transitional housing and supportive housing. Pursuant to SB 2 (Chapter 633, Statutes of 2007), transitional and supportive housing must be permitted as a residential use in all zones and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. The element

must demonstrate consistency with these statutory requirements and include a program as appropriate.

3. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)*

Constraints on Housing for Persons with Disabilities: The element must demonstrate that the City has a reasonable accommodation procedure for providing exception in zoning and land use. The element indicates that the City has adopted a reasonable accommodation procedure (p. H4-30), but it does not provide any information on that procedure. The element should describe the City's reasonable accommodation procedure, including how requests are made and processed, and any approval findings.

In addition, the element details that residential care facilities serving six or fewer persons are permitted in all residential zones. However, residential care facilities serving seven or more persons require a minor use permit (MUP). The element should analyze the process as a potential constraint on housing for persons with disabilities and add or modify programs as appropriate to ensure zoning permits group homes objectively with approval certainty.

4. *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 the numbers of special needs populations, it must analyze the special housing needs of these populations. For a complete analysis of each population group, the element should discuss challenges faced by the population, the existing resources to meet those needs (e.g., 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.

5. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)*



The element identifies three properties at risk of conversion to market-rate during the planning period (p. H3-11). While the element includes most of the required analysis, it does not identify specific funding sources that could be used to preserve the affordability. The element must provide this analysis for the at-risk units identified.

### **C. Housing Programs**

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

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

- Program 3-4 (ADUs): Add specific timeframes for all actions. Actions to comply with State law should take place within one year of adoption.
- Program 4-1 (Density Bonuses): Actions to comply with State law should take place within one year of adoption.
- Program 4-2 (Supportive and Transitional Housing): The program should be amended to commit to a timeframe to within three years of adoption in order to ensure beneficial impact within the planning period.
- Program 5-4 (Outreach Plan): Add timeframe for implementation.

Additionally, measurable outcomes, quantified, when possible, are needed for Programs 1-2 (Rental Housing Inspection), 1-3 (Neighborhood Improvement Zone), 2-1 (First-Time Homebuyer Assistance), 2-3 (Section 8 Housing Choice Voucher), and 3-4 (ADUs).

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 B2, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning was not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

- Program 3-4 (ADUs): As noted in Finding B2, the City's ADU ordinance appears to be out of compliance with State law. The element should include a program to amend the ADU ordinance within one year of adoption of the element.

Furthermore, the element must commit to monitor ADU production throughout the course of the planning period and implement additional actions if not meeting target numbers anticipated in the housing element. In addition to monitoring production, this program should also monitor affordability. Additional actions, if necessary, should be taken in a timely manner (e.g., within 6 months).

- Program 3-9 (Development on Religious Institution Sites / AB 1397 Reuse): As the City is relying on potential development on religious institution sites to accommodate a shortfall of the lower-income RHNA, this program must commit to the specific by-right provisions found in Government Code section 65583.2, subdivisions (h) & (i).

Sites being rezoned must:

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

Nonvacant Sites Reliance to Accommodate RHNA: As the element relies upon nonvacant sites to accommodate the regional housing need for lower-income households, it should include a program(s) to promote residential development of those sites. The program(s) could commit to provide financial assistance, regulatory concessions, or incentives to encourage and facilitate new, or more intense, residential development on the sites. Examples of incentives include identifying and targeting specific financial resources and reducing appropriate development standards. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/program-requirements/identify-adequate-sites.shtml>.

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 to assist in the development of very low-, low-, and moderate-income households, it must also include a program to assist in the development of housing affordable extremely low-income (ELI) households. Programs must be revised or added to the element to assist in the development of housing for ELI households. Program actions could include prioritizing some funding for housing developments affordable to ELI households and offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units, to address the identified housing needs for ELI households.

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 B3, 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 AFFH 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 does not contain programs that satisfy the AFFH requirements for specific and meaningful actions to overcome fair housing issues. Based on a complete analysis, the element must add or revise programs.

6. *Develop a plan that incentivizes and promotes the creation of ADUs 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).)*

The element is required to include a program that incentivizes or promotes ADU development for very low-, low-, and moderate-income households. This can take the form of flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, fee waivers and more. Other strategies could include developing information packets to market ADU

construction, targeted advertising of ADU development opportunities or establishing an ADU specialist within the planning department.

**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).)*

While the element includes a general summary of the public participation process, it must also summarize the public comments and describe how they were considered and incorporated into the element.

In addition, HCD understands the City may have made the element available to the public concurrent with its submittal to HCD. By not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the City has not yet complied with statutory mandates to make a diligent effort to encourage the public participation in the development of the element and it reduces HCD's ability to consider public comments in the course of its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including making revisions to the document where appropriate. HCD's future review will consider the extent to which the revised element documents how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.