DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

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October 31, 2022

Mallory Crecelius, City Manager City of Blythe 235 N. Broadway Blythe. California 92225

Dear Mallory Crecelius:

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

Thank you for submitting the City of Blythe's (City) draft housing element received for review on August 2, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on September 27, 2022 with you and consultant Cynthia Mancha.

The draft housing 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 below, adopt, and submit to HCD to regain housing element compliance.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that failed to adopt a compliant housing element within one year from the statutory deadline cannot be found in compliance until rezones to make prior identified sites available or accommodate a shortfall of sites pursuant to Government Code section 65583, subdivision (c) (1) (A) and Government Code section 65583.2, subdivision (c) are completed. As this year has passed, the housing element will remain out of compliance until any rezoning has been completed.

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 must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly

available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

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.

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

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 Mashal Ayobi, of our staff, at Mashal.Ayobi@hcd.ca.gov.

Sincerely,

Paul McDougall

Senior Program Manager

Enclosure

APPENDIX CITY OF BLYTHE

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

B. Housing Needs, Resources, and Constraints

1. Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)

<u>Enforcement and Outreach</u>: While the element included a general discussion of fair housing enforcement and outreach, it must also describe compliance with existing fair housing laws and regulations and include information on fair housing outreach capacity.

Integration and Segregation: The element includes limited information on integration and segregation. For example, the element states that poverty and segregation is concentrated southeast and southwest of I-10 and that the City is mostly Hispanic/Latino, racial and that ethnic concentrations are clustered south of I-10; however, the element must compare segregation levels at the regional and local level and complement that comparison with local data and knowledge and other relevant factors. The element must provide an analysis of segregation and integration of race, familial status, income, and persons with disabilities locally and regionally complemented by data and concluding with a summary of fair housing issues.

Concentrated Areas of Poverty and Affluence: The element does not address this fair housing component. The housing element must include an analysis of racially and ethnically concentrated areas of poverty. The analysis should evaluate the patterns, changes over time and coincidence with other fair housing components and consider other relevant factors, such as public participation, past policies, practices, and investments and demographic trends. This information should be specifically utilized to inform policies and actions.

<u>Disparities in Access to Opportunity</u>: The element does not address this fair housing component. The housing element must identify and analyze significant disparities in access to opportunity. A complete analysis should include the locally (patterns within the City) and regional disparities (City compared to the region) of the educational, transportation, environmental, and economic scores through local, federal, and/or state data.

<u>Disproportionate Housing Needs</u>: The element does not address this fair housing component. The housing element must include an assessment of disproportionate housing needs, including displacement risk, on people with protected characteristics and households with low incomes. The analysis must address cost burden and severe cost burden, overcrowding, substandard housing, and the disproportionate needs of the homeless and compare the locality to the broader region and the sub-geographies within the locality.

Contributing Factors: The element includes some fair housing analysis; however, additional information is necessary to address the requisite affirmatively furthering fair housing analysis requirement. The element should develop programs and strategies to address the identified fair housing issues. In addition, the element must list and prioritize contributing factors to fair housing issues. Contributing factors create, contribute to, perpetuate, or increase the severity of fair housing issues and are fundamental to adequate goals and actions. Examples include community opposition to affordable housing, housing discrimination, land use and zoning laws, lack of regional cooperation, location and type or lack of affordable housing and lack of public or private investment in areas of opportunity or affordable housing choices. The analysis shall result in strategic approaches to inform and connect goals and actions to mitigate contributing factors to affordable housing.

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

Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element should analyze historical land use, zoning, governmental and nongovernmental spending, including transportation investments, demographic trends, historical patterns of segregation, or other information that may have impeded housing choices and mobility.

Goals, Priorities, Metrics, and Milestones: Goals and actions must significantly seek to overcome contributing factors to fair housing issues. Currently, programs are not sufficient to facilitate meaningful change and address AFFH requirements. Based on the outcomes of a complete analysis, the element must be revised to add or modify goals and actions accordingly. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have metrics and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

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).)

<u>Sites Inventory</u>: While the element list sites in Appendix D by parcel number or unique reference, and parcel size, it must also list zoning and general plan designations.

<u>Electronic Sites Inventory</u>: For your information, 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/housing-elements-hcd for a copy of the form and instructions. The City/County can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Zoning Appropriate for the Development of Housing for Lower-Income Households: Appendix D identifies several sites with units allocated to lower-income households in zones with maximum densities of 11 and 14 units per acre; but does not include an analysis evaluating the adequacy of these densities. The element must identify sites with zoning and densities appropriate to encourage and facilitate the development of housing for lower-income households based on factors such as market demand, financial feasibility and development experience within zones. For communities with densities that meet specific standards (at least 20 units per acre for Blythe), this analysis is not required (Section 65583.2(c)(3)(B)).

<u>Realistic Capacity</u>: While the element includes an estimate of the number of units that can be accommodated on each site in the inventory, the estimate should rely on established minimum density standards or include analysis demonstrating how the

number of units for each site was determined. The element should include an analysis of how realistic density proposed was calculated. 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 the City and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

<u>Small Sites</u>: The element identifies several sites under half an acre. Sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size and affordability were successfully developed during the prior planning period or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower income housing. For example, a site with a proposed and approved housing development that contains units affordable to lower income households would be an appropriate site to accommodate housing for lower-income households.

<u>Previously Identified Nonvacant and Vacant Sites</u>: The element must clarify if sites used to accommodate the housing need for lower income households were previously identified in prior planning periods and include programs as appropriate. If nonvacant sites identified in a prior adopted housing element or vacant sites identified in two or more consecutive planning periods, the sites are inadequate to accommodate housing for lower-income households unless:

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

<u>Infrastructure</u>: While the element describes water and sewer infrastructure, it must also demonstrate sufficient existing or planned dry utilities supply capacity, including the availability and access to distribution facilities to accommodate the City's regional housing need for the planning period.

<u>Water Sewer Priority</u>: 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.

Zoning for a Variety of Housing Types:

 Manufactured Housing: The element must demonstrate the jurisdiction's zoning code allows and permits manufactured housing in the same manner and in the

- same zone as a conventional or stick-built structures are permitted (Government Code Section 65852.3). Specifically, manufactured homes should only be subject to the same development standards that a conventional single-family residential dwelling on the same lot would be subject to.
- 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.
- Low Barrier Navigation Centers: Low Barrier Navigation Centers 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 65660. The element must demonstrate compliance with this requirement and include programs 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... (Gov. Code, § 65583, subd. (a)(5).)

Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobilehomes, transitional housing). While the element includes a table listing land-use controls (p.55), it must analyze those standards and evaluate the cumulative impacts of land use controls on the cost and supply of housing, including the ability to achieve maximum densities and cost and supply of housing. The analysis should also describe past or current efforts to remove identified governmental constraints. it must be followed by an individual analysis of each land use control as potential constraints.

<u>Fees and Exaction</u>: The element must describe all required fees for single family and multifamily housing development, including impact fees, and analyze their impact as potential constraints on housing supply and affordability. While the element provides some information on fees and exactions (p. 51), it should include an analysis to identify the total amount of fees and their proportion to the development costs for both single family and multifamily housing.

<u>Processing and Permit Procedures</u>: The element mentions the City uses a Project Review Committee Process (p. 51); however, it should describe approval findings and are any discretionary approval procedures. In addition, the element must describe and analyze permitting and entitlement process by unit type (Single-Family and Multifamily projects). Lastly, the element must clarify if there is a design review process or other application processing requirements.

<u>Building Codes and Code Enforcement</u>: While the element mentions on page 50 that the Building and Safety Division currently applies the 2019 California Building Codes as well

as the Uniform Housing Code to all construction. However, the element must also describe the City's building and zoning code enforcement processes and procedures, including any local amendments to the building code, and analyze their impact as potential constraints on housing supply and affordability.

<u>Housing for Persons with Disabilities</u>: The element (p. 59) states that a reasonable accommodation procedure was amended; however, it should describe and analyze the process and approval findings for consistency with fair housing requirements. also list and analyze approval findings.

Zoning, Development Standards and Fees: The element must clarify its compliance with transparency requirements for posting all zoning, development standards and fees for each parcel on the jurisdiction's website.

<u>SB 35 Streamlined Ministerial Approval Process</u>: The element must clarify whether a written procedures for the SB 35 Streamlined Ministerial Approval Process is available or include a program if necessary.

<u>Local Ordinances</u>: 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.

4. An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)

<u>Price of Land</u>: While the element states that the cost of land is low relative to Riverside County, it must still provide a cost estimate.

<u>Approval Time and Below Density Requests</u>: 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.

C. Housing Programs

1. Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are

ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)

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 that need to be revised are as follows:

- Program 1.A1 The program must include outcomes (how many first-time homebuyers will be assisted, and how many units will be rehabilitated).
- Program 1.A.3 The program must include outcomes (how many applicants will be assisted).
- Program 1.C.2 The program must clarify how often the City will collaborate (e.g. annually, bi-annually).
- Program 2.A.3 The program must include outcome (assist how many ELI Applicants).
- Program 2.B.1 The program must clarify how often coordination will take place (e.g. annually, bi-annually).
- Program 2.C.1 The program must clarify how often cooperation will take place (e.g. annually, bi-annually).
- Program 3.A.3 The program must include a quantifiable outcome.
- Program 4.B.1 The program must include how often funding will be pursued. (e.g. annually)
- 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 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.

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 some programs to assist in the development of very low-, low-, and moderate-income households, the programs do not include specific actions to assist in the development of housing. The element could revise or include additional commitments such as adopting priority processing, granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to lower and moderate-income households including housing for persons with special needs (e.g., farmworkers, homeless and person with disabilities, including developmental).

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 B3 and B4, 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. In addition:

<u>Program 2.D.1</u>: This program commits to allow residential care facilities of seven or more persons in the Service Industrial (IS) and General Industrial (IG) zone with a conditional use permit. However, this program should be revised to allow residential care facilities of seven or more persons in all residential zones objectively to promote approval certainty.

- 5. Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)
 - As noted in Finding B1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs.
- 6. Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)

Accessory Dwelling Units (ADUs) (Incentivize and Promote): 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. **Quantified Objectives**

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

While the element includes quantified objectives for new construction and rehabilitation, it should also include numbers for conservation/preservation units. This could be units that are at risk of conversion to market rate or other programs that conserve the existing housing stock such as housing choice vouchers, weatherization, zoning to conserve mobilehome parks and code enforcement.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

While the element includes a general summary of the public participation process, it should describe whether public engagement went beyond typical public hearings and/or city council meetings. For example, the City could describe whether meetings were held in a manner that allowed diverse citizen participation, whether there were translation services available, and describe how comments were considered and incorporated into the element.