DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

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December 22, 2022

Teri Nava, Staff Consultant City of Westmorland 355 South Center Street, P.O. Box 699 Westmorland, CA 92281

Dear Teri Nava:

City of Westmorland's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Westmorland's (City) draft housing element received for review on September 29, 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.

The draft element addresses some 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.

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 necessary rezonings have 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 should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be

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

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 assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Anthony Errichetto, of our staff, at anthony.errichetto@hcd.ca.gov.

Sincerely,

Paul McDougall

Senior Program Manager

Enclosure

APPENDIX CITY OF WESTMORLAND

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 https://www.hcd.ca.gov/planning-and-community-development/hcd-memos. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks 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).)

The review requirement is one of the most important features of the element update. The review of past programs should analyze the City's accomplishments over the previous planning period. This information provides the basis for developing an effective housing program.

<u>General</u>: The element did not address this requirement. A thorough program-by-program review is necessary to evaluate City's performance in addressing housing goals. As part of this analysis, the element should describe the actual results of the prior element's programs, compare those results to the objectives projected or planned, and based on an evaluation of any differences between what was planned versus achieved, provide a description of how the objectives and programs of the updated element incorporate changes resulting from the evaluation. This information and analysis provide the basis for developing a more effective housing program.

Housing for Special Needs: As part of the review of programs in the past cycle, the element must also 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). Programs should be revised as appropriate to reflect the results of this evaluation.

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).)

Affirmatively Furthering Fair Housing (AFFH): The element did not address this requirement. The element must, among other things, 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. A complete analysis should include maps and data on all fair housing components and analyze this data for patterns and trends at the local and regional level including integration and segregation (race, income, disability, and familial status), disparities in access to opportunity (education, environmental, transportation, economic), and disproportionate housing needs (cost burdened, overcrowded, substandard housing conditions, homelessness, and displacement risks).

In addition to evaluating patterns and trends, the element should analyze coincidences with other components of the assessment of fair housing. Furthermore, the AFFH analysis should be complemented by local data and knowledge, including input from comments, and other relevant factors. 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 affects 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 promote equitable quality of life throughout the community (e.g., anti-displacement and place-based community revitalization strategies).

For further guidance, please visit HCD's AFFH in California webpage at https://www.hcd.ca.gov/planning-and-community-development/affirmatively-furthering-fair-housing. HCD will send sample analyses under separate cover.

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).)

<u>Extremely Low-Income (ELI)</u>: While the element identifies the projected number of ELI households, it must also identify the total number of existing ELI households by tenure and analyze their existing housing needs. The analysis of ELI housing needs could consider tenure, overpayment, overcrowding, resources and the effectiveness of strategies and the magnitude of housing need.

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).)

<u>Household Characteristics</u>: The element must include an analysis of household characteristics, including all the following by tenure: the total number of existing households, the total number of households overpaying for housing, the total number of lower-income households overpaying for housing, and the total number of overcrowded households.

<u>Housing Stock Condition</u>: The element must include analysis of the condition of the existing housing stock and estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including nonprofit housing developers or organizations.

<u>Housing Costs</u>: The element should include an estimate of the average cost of rent. Additionally, the estimate of the average cost of for sale housing is dated, the element should include a more recent estimate (e.g., 2021).

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).)

<u>Sites Inventory</u>: For every site, the element must provide the property's parcel number, size in acres, general plan and zoning designation, and existing use for nonvacant sites. The element should identify the number of units that can be "realistically accommodated" on each site as well as the affordability level of the units to be developed on the identified sites. Lastly, the element should provide a map of the sites identified.

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 the HCD's Housing Element Sites Inventory Guidebook at https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sites inventory memo final06102020.pdf.

Realistic Capacity: The element must include an estimate of the number of units that can be accommodated on each site in the inventory. The estimate may rely on established minimum density standards or include analysis demonstrating how the

number of units for each site was determined. The estimate of the number of units for each site must be adjusted as necessary, based on the land use controls and site improvements and typical densities of existing or approved residential developments at a similar affordability.

In addition, if the element assumes residential development on sites with zoning that allows 100 percent nonresidential uses, to support this assumption, the element must analyze the likelihood of residential development in zoning where 100 percent nonresidential uses are allowed. The analysis should be based on factors such as development trends including nonresidential, performance standards requiring residential uses or other relevant factors such as enhanced policies and programs.

<u>Availability of Infrastructure</u>: The element must demonstrate sufficient total water and sewer capacity (existing and planned) to accommodate the regional housing need by community plan area. While the element states the City has sufficient capacity for water and sewer infrastructure through 2025 (p. 38), the planning period extends through 2029 and so the element must also demonstrate sufficient capacity through the latter timeframe.

In addition, 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. The element should discuss compliance with these requirements and if necessary, add or modify programs to establish a written procedure by a date early in the planning period. For additional information and sample cover memo, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/priority-water-and-sewer.

<u>Environmental Constraints</u>: The element must describe environmental conditions within the City and how these conditions relate to identified sites including any known environmental constraints or other known issues within the City that could impact housing development in the planning period For additional information and sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-sites-and-zoning.

<u>Electronic Sites Inventory</u>: 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/planning-and-community-development/housing-elements for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

 Multifamily Rental Housing: The housing element must identify sites with zoning and development standards that will allow and encourage multifamily rental

- housing opportunities. The analysis should identify zoning that permits multifamily rental development and evaluate whether development standards and permit procedures encourage multifamily opportunities.
- Employee Housing: The element must demonstrate zoning is consistent with 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.
- Emergency Shelters: The element must also identify a zone, or zones, where
 emergency shelters are a permitted use without discretionary review. In addition,
 the element should clarify whether emergency shelter zoning adheres to parking
 standards pursuant to AB 139 and whether the City has policies and/or
 procedures to accommodate Low Barrier Navigation Centers pursuant to AB 101.
- Transitional and Supportive Housing: The element must demonstrate that transitional housing and supportive housing are considered a residential use and subject to only those restrictions that apply to other residential dwellings of the same type in the same zone.
- 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.
- Manufactured Housing: The housing 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 with the exception of architectural requirements for roof overhang, roofing material, and siding material.
- Accessory Dwelling Units (ADU): The housing element must demonstrate that the jurisdiction permits an ADU with only ministerial approval and describe the jurisdiction's local ADU ordinance or whether the jurisdiction defers to Government Code (GC) Section 65852.2(b).
- 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 states that Table A-28 lists the City's housing types permitted in the residential zones and single commercial zone; however the Table was not included. The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to parking, heights, lot coverage and limits on allowable densities. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints.

<u>Codes and Enforcement</u>: The element must describe and analyze which building code (e.g., 2019) is enforced, any local amendments to the building code and their enforcement for impacts on housing supply and affordability. For additional information and a sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards.

On/Off-Site Improvements: The element must identify subdivision level improvement requirements (e.g., curbing requirements, circulation improvements, minimum street widths) and analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards.

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

<u>SB 35 Streamlining</u>: The element must describe the availability of written procedures for the SB 35 streamlined, ministerial approval process pursuant to Government Code section 65913.4 or include a program as appropriate.

Housing for Persons with Disabilities: The element excludes group homes for seven or more persons from some residential zones and subjects the use to a conditional use permit, unlike other similar uses. The element should specifically analyze these constraints for impacts on housing supply, choices, approval certainty, and objectivity for housing for persons with disabilities and include programs as appropriate to allow this housing type in all residential zones with an objective and defined process. Secondly, the element briefly describes its reasonable accommodation procedures; however, the element should also describe the process and decision-making criteria such as approval findings and analyze any potential constraints on housing for persons with disabilities. Finally, the element defines a family as "a subset of households and include all persons living together who are related by blood, marriage, or adoption" (page 10). The element should analyze the characteristic of having to be "related by blood, marriage, or adoption" to determine whether this is a potential constraint on

housing for persons with disabilities and add or modify programs as appropriate to revise the definition.

<u>Locally Adopted Ordinance</u>: The element must analyze any locally adopted ordinances that directly impacts the cost and supply or residential development (e.g., inclusionary requirements, short term rentals, growth controls).

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... (Gov. Code, § 65583, subd. (a)(6).)

Requests for Lesser 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.

<u>Availability of Financing</u>: The element should explain whether financing for housing development is available in the City.

<u>Price of Land</u>: The element should provide discussion on the price of land in the City, including the average cost per acre for single family and multifamily zoned developable parcels.

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).)

<u>Persons with Disabilities</u>: The element provides a percentage of persons with disabilities living within the City but should instead provide a quantification of this special housing needs population. In addition, the element should include a qualitative description of the need (including a description of the potential housing problems faced by persons with disabilities), a description of any existing resources or programs, and an assessment of unmet needs. The element mentions Table 19 that includes the types of disabilities; however, the table was not included.

<u>Elderly</u>: While the element identifies the total number of seniors living within City and analyzes their special housing needs it should also describe what services and resources are available to them

<u>Farmworkers</u>: The element states that Westmorland's agricultural population per SCAG Profile 2019 is 28.4 percent. However, it is not clear from what number this percentage is based on. The element should clarify the total number of seasonal and permanent farmworkers within the City.

<u>Female Headed Households</u>: The element states that about 19 percent of households in the City are single persons households; however it should clarify the total number of female headed households in the City.

<u>Homeless</u>: While the element includes a 2020 Point in Time Count for the County it should also include the Point in Time count for how many homeless are within the City.

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).)

The element did not address this statutory requirement. To address the program requirements of Government Code section 65583, subd. (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. HCD will send samples from nearby communities under separate cover.

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).)

The element does not address this requirement. In addition, 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 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).)

The element does not address this requirement. The element must include a program(s) with specific actions and timelines to assist in the development of housing for extremely low-, very low-, low-, and moderate-income and special needs households. Examples of actions include at least annual outreach to affordable housing developers to identify development opportunities, 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; assisting, supporting or pursuing funding applications.

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

The element does not address this requirement. In addition, as noted in Findings B5 and B6, the element requires a complete analysis of potential governmental and non-governmental constraints. Depending upon the results of that analysis, the City may need to add programs and address and remove or mitigate any identified constraints. Currently no programs were included to address this requirement.

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

The element must include a program(s) to conserve and improve the condition of the existing stock, which may include addressing the loss of dwelling units. A program could provide grants for substantial rehabilitation, provide matching grants for homeowner improvements, or implement proactive code enforcement program.

6. 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).)

The element does not address this requirement. In addition, 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 programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. Currently no programs have been included for this section.

7. The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a)... (Gov. Code, § 65583, subd. (c)(6).)

The element does not address this requirement. If assisted housing developments are found to be at-risk of conversion to market rate uses in the next ten years (2021 to 2031), the element must include programs that preserve assisted housing developments at-risk of conversion to market-rate. For more information on program requirements, please see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/preserve-units-risk-conversion-market-rates.

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

The element does not address this requirement. 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, pre-approved building plans, fee waivers and more. Other strategies could include developing information packets to market ADU construction, advertising ADU development opportunities at City Hall and other locations 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).)

The element must include quantified objectives estimating the number of housing units by income category that can be constructed, rehabilitated, and conserved over the planning period. For more information and sample tables, please see https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/program-overview-and-quantified-objectives.

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, the element should also describe how public input was or will be considered and incorporated in the element, including which programs were added to address public comments.

F. Consistency with General Plan

The Housing Element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)

The housing element affects a locality's policies for growth and residential land uses. The goals, policies and objectives of an updated housing element may conflict with those of the land-use, circulation, open space elements as well as zoning and redevelopment plans. The general plan is required to be "internally consistent." As part of the housing element update, the City should review the general plan to ensure internal consistency is maintained. In addition, The City should consider an internal consistency review as part of its annual general plan implementation report required under Government Code section 65400.