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

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February 1, 2022

Susanna Gutierrez, Assistant Planner Planning and Building Department City of Avalon P.O. Box 707 Avalon, CA 90704

Dear Susanna Gutierrez:

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

Thank you for submitting the City of Avalon's draft housing element received for review on December 3, 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 conversation on January 24, 2022, with you and your consultant, Amanda Tropiano.

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes revisions needed to comply with State Housing Element Law.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of this statutory deadline, then any rezoning to accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

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 will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <a href="http://opr.ca.gov/docs/OPR">http://opr.ca.gov/docs/OPR</a> Appendix C final.pdf and <a href="http://opr.ca.gov/docs/Final-6.26.15.pdf">http://opr.ca.gov/docs/Final-6.26.15.pdf</a>.

HCD appreciates the dedication of the housing element team during the update. 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 Dulce Ochoa, of our staff, at <a href="mailto:dulce.ochoa@hcd.ca.gov">dulce.ochoa@hcd.ca.gov</a>.

Sincerely,

Paul McDougall Senior Program Manager

**Enclosure** 

# APPENDIX CITY OF AVALON

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 <a href="http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml">http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml</a>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <a href="http://www.hcd.ca.gov/community-development/building-blocks/index.shtml">http://www.hcd.ca.gov/community-development/building-blocks/index.shtml</a> 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 element must provide an evaluation of the cumulative effectiveness of past 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) and revise programs as appropriate.

#### 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>Outreach</u>: The element describes some general comments from the housing element survey. However, the survey contains several questions and responses related to affirmatively further fair housing (AFFH) and the element should better incorporate the results of the survey into the assessment of fair housing to prioritize contributing factors to fair housing issues and formulate appropriate programmatic response.

<u>Enforcement and Outreach Capacity</u>: The element indicates that the 2018 Analysis of Impediments to Fair Housing Choice identified no barriers to fair housing choice specific to Avalon (p. 83) and describe enforcement capacity. However, the element should identify and analyze any local enforcement trends. In addition, the element must address compliance with existing fair housing laws and regulations and include a summary of fair housing issues related to enforcement and outreach capacity and relationship to other fair

housing issue areas (e.g., segregation and integration, racially and ethnically concentrated areas of poverty (R/ECAP), etc.).

<u>Disproportionate Housing Needs including Displacement Risk</u>: While the element provides some information on overcrowding at the local level (neighborhood to neighborhood), it must also analyze these conditions at a regional level (city to region) and by tenure (owner and renter). For substandard housing, the element reports 51.2 percent of the housing stock as being older than 50 years and potentially needing repairs (p. 88). However, this analysis should incorporate local data and knowledge, such as housing conditions surveys or code enforcement activities. In addition, the element must also provide an analysis for homelessness and displacement (i.e., disinvestment-driven, investment-driven, and disaster-driven).

<u>Sites Inventory</u>: While the element includes some general discussion and conclusions of sites and AFFH, a full analysis should address 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) and any isolation of the regional housing needs allocation (RHNA) by income group. The analysis should discuss how the sites improve or exacerbate fair housing conditions and should be supported by local data and knowledge and other relevant factors.

Local Data and Knowledge: The element notes the City undertook a local survey due to challenges related to sampling, small population in the American Community Survey (ACS) and opines the ACS does not portray an accurate picture. As a result, the assessment of fair housing should emphasize this local survey and other local sources of data and knowledge and incorporate the information throughout the assessment of fair housing. For example, the element should analyze income patterns and trends and concentrated areas of affluence or areas of higher income and evaluate coincidence across the various of components of the assessment of fair housing (e.g., segregation and integration and disproportionate housing needs including displacement).

Other Relevant Factors: The element must include relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use, zoning and investment practices, presence of redlining, restrictive covenants, neighborhood investment or disinvestment, federal investment such as transportation infrastructure, demographic trends or any other information that supplements the reported data and assists in a complete analysis.

<u>Contributing Factors</u>: Based on the outcomes of a complete analysis, the element should re-evaluate and prioritize contributing factors to fair housing issues as appropriate.

<u>Goals and Actions</u>: Based on the outcomes of a complete analysis, the element must be revised to add or modify goals and actions. Goals and actions must specifically respond to the analysis and prioritized contributing factors to fair housing issues. Actions must have metrics and milestones as appropriate and 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. 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>Housing Conditions</u>: The element identifies the age of the housing stock and estimates replacement needs based on the age of the housing stock (p. 26). However, the age of the housing stock alone may misrepresent the units in need of rehabilitation and replacement. The element should include additional information to 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 other organizations.

3. 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>Parcel Listing</u>: The element does not include a parcel listing. The element must list sites by parcel number or unique reference, parcel size, zoning, general plan designation, and describe existing uses for any nonvacant sites and include a calculation of the realistic capacity of each site. For additional information and sample sites inventory, see the Building Blocks at <a href="http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/inventory-of-land-suitable.shtml">http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/inventory-of-land-suitable.shtml</a>.

Realistic Capacity: For Tremont Street (APNs 7480002072 and 7480002075), the element assumes 100 percent of maximum allowable density will be achieved but does not provide support for this assumption (p. 74). Additionally, for the Country Club Canyon (portion of APN 7480001026), the element assumes the site will develop with 140 units, of which 48 units are anticipated to develop during the planning period but does not provide support for these assumptions. The element should demonstrate what specific trends, factors, and other evidence led to the assumptions or adjust assumptions as appropriate. 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.

<u>Large Sites</u>: Sites greater than 10 acres (large sites) cannot be utilized toward the RHNA for lower-income households unless the element demonstrates sites of equivalent size and affordability were successfully developed during the prior planning period or provides other evidence sufficient to demonstrate the appropriateness of large sites. The element identifies one large site greater than 10 acres. Specifically, for the Country Club Canyon site, the element assumes 24 units will be affordable to low-income households (p. 74 and 79). Additional analysis, as described above, is necessary to demonstrate the appropriateness of this site.

Zoning for Lower-Income Households: The element must demonstrate densities appropriate to accommodate housing for lower income households. For communities with densities that meet specific standards (at least 20 units per acre for Avalon), no analysis is required. (Gov. Code, § 65583.2, subd. (c)(3).) Otherwise, an analysis must demonstrate appropriate densities based on factors such as market demand, financial feasibility and development experience within identified zones. Specifically, the element should address this requirement for the Country Club Canyon site, intended to accommodate development of units affordable to lower-income households.

<u>Environmental Constraints</u>: The element describes some environmental conditions within the City, but it should also relate those conditions to identified sites and describe any other known environmental or other constraints that could impact housing development on identified sites in the planning period.

<u>Infrastructure</u>: The element describes various challenges related to water availability and some discussion of sewer capacity, but it should clarify whether sufficient total sewer capacity is available or planned to accommodate the RHNA and add or modify programs if necessary.

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.) Given the City is the sewer provider, the element should discuss compliance with this requirement and if necessary, add or modify programs to establish a written procedure by a date early in the planning period.

Accessory Dwelling Units (ADU): The element notes three ADUs were approved in 2020. However, HCD records indicate the City has not reported any ADUs as part of the annual progress report, pursuant to Government Code section 65400. Further, an analysis of ADU trends should at least initially be based on permitted units, although the analysis can incorporate approvals. The City should reconcile these records and revise the analysis as appropriate based on permitted ADUs.

<u>Sites Identified in Prior Planning Period</u>: Sites identified in prior planning periods (vacant sites identified in two planning periods or nonvacant sites identified in prior planning period) 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.

<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 <a href="https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element">https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element</a> for a copy of the form and instructions. The City can reach out to HCD at <a href="mailto:sitesinventory@hcd.ca.gov">sitesinventory@hcd.ca.gov</a> for technical assistance.

## Zoning for a Variety of Housing Types:

- Emergency Shelters: The element indicates emergency shelters are permitted in the Commercial (C) and Special Commercial (SC) zones with an Emergency Shelter Permit. The element must demonstrate the zone has sufficient capacity to accommodate the identified housing need for emergency shelters. (Gov. Code, § 65583, subd. (a)(4).) For example, the element should describe typical parcels sizes, whether the sites are nonvacant, and the potential for reuse opportunities. Additionally, the element must also identify actual development standards and analyze those standards as potential constraints.
- Employee Housing: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs. Specifically, while the element includes Program 17 (Zoning Code Updates) to address agricultural worker housing, 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. The element should demonstrate compliance with this requirement or add or modify programs if necessary.
- Permanent Supportive Housing: Supportive housing shall be a use by-right in zones
  where multifamily and mixed uses are permitted, including nonresidential zones
  permitting multifamily uses pursuant to Government Code section 65651. The
  element must demonstrate compliance with this requirement and include programs
  as appropriate.
- Accessory Dwelling Units (ADUs): After a cursory review of the City's ordinance,
  HCD discovered several areas which were not consistent with State ADU Law.
  HCD will provide a complete listing of ADU noncompliance issues under a separate
  cover. As a result, the City should promptly implement Program 14 (Accessory
  Dwelling Units) to update the City's ADU and zoning ordinances to comply with state
  law.

<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 <a href="https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element">https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element</a> for a copy of the form and instructions.

4. 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).)

<u>Land-Use Controls</u>: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should address impacts on housing supply (e.g., number of units), costs, timing and ability to achieve maximum densities. The analysis should address heights and the lack of fixed parking requirements in the L/M zone and for single room occupancy uses. Based on the outcomes of a complete analysis, the element should include programs to address or remove the identified constraints.

In addition, the element describes the City's Annual Growth Policy where the City annually identifies the types of projects. While the element states this process does not the number of units, it should analyze the impacts of this policy on housing cost, timing, types and affordability. For example, the element should list the typical results of this annual policy, any impacts on housing and opportunities to prioritize affordable housing. This is particularly important given the lack of past production affordable to lower and moderate-income households relative to housing for above moderate-income households.

<u>Local Processing and Permit Procedures</u>: While the element includes information about processing times and indicates the Planning Commission reviews most projects for conformance with zoning. The analysis of major site plan review should address the typical number of public hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing cost, supply, timing and approval certainty.

<u>Fees and Exactions</u>: The element lists some entitlement fees, but it should describe and evaluate 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. For example, the analysis should identify the total amount of fees, including impact fees and their proportion to the development costs for both a typical single family and multifamily housing development.

On/Off-Site Improvements: The element must identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis, see the Building Blocks at <a href="http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml">http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml</a>.

# Constraints on Housing for Persons with Disabilities:

- Reasonable Accommodation: The element describes the City's reasonable
  accommodation procedure and lists findings of approval (p. 55). However, the
  element must still analyze findings of approval. For example, the analysis should
  address potentially subjective findings related to the "character of the
  neighborhood" and "any other factors that may have bearing on the request.
- Definition of Family: The element should identify and evaluate any definition of family used in zoning and land use for impacts on housing for persons with disabilities and include programs if necessary.

- Residential Care Facilities for Seven or More Persons: The element indicates
  Program 7 will permit residential care facilities for six or fewer persons in all zones
  that allow single or multifamily uses, subject to the same permit processing
  requirements and development standards (p.54). However, the element should
  address the lack of zoning, particularly residential, and conditional use permit (p.
  85) as potential constraints on housing for persons with disabilities.
- 5. An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including.....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>Timing of Approval</u>: The element must analyze the length of time between receiving approval for housing development and submittal of application for building permits. The analysis should address any hinderances on the construction of the RHNA.
- 6. 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 Developmental Disabilities</u>: While the element notes the lack of data available from the Department of Developmental Services, it must still estimate and analyze the needs of persons with developmental disabilities. For example, the element could estimate needs based on a generally acceptable proportion of the population.

<u>Persons Experiencing Homelessness</u>: The element identifies the number of persons experiencing homelessness but should evaluate characteristics (e.g., chronically homelessness, mentally ill, veterans). The element may utilize county level data to facilitate this evaluation.

#### **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).)

Programs must include specific commitment and definitive implementation timelines to demonstrate a "beneficial impact" in the planning period. The element includes several programs with "ongoing implementation and annual monitoring and reporting throughout the planning period" and should be revised with discrete timelines (e.g., annual (beyond monitoring) or by year) where appropriate. Examples include Programs 1 (Housing Rehabilitation), 5 (First Time Homebuyer Assistance), 6 (Housing Trust Fund), 8 (Affordable Housing Development), 12 (Density Bonus Program) and 15 (Monitoring Potential Constraints).

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 B3, 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. In addition, the element should be revised as follows:

- Program 19 (Water Availability): Given water is a primary factor related to accommodating the RHNA, this Program should include actions beyond coordinating planning documents and supporting an increase in allocations.
- Sewer Capacity: The element notes the City's sewer pipelines are old and leaks have been identified (p. 70). As a result, the element should include a program to address these deficiencies.
- 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).)

Programs must include specific commitment and discrete timelines to assist in the development of housing for lower and moderate-income households as noted above in Finding C1. In addition, the element should be revised as follows:

Program 7 (Temporary Summer Housing): The Program should include specific
commitment with timelines beyond working with the Santa Catalina Island Company
and implementing existing requirements on an ongoing basis. For example, the
Program could coordinate with affordable developers, apply for funding, establish
incentives beyond density bonus law or other actions to encourage the
development, maintenance and improvement of housing.

- Program 12 (Density Bonus Program): The City's ordinance, last updated in 2010, appears inconsistent with State Density Bonus Law. As a result, the Program should include specific commitment to amend the ordinance early in the planning period.
- Short Term Rentals: The element describes a significant number of short-term rentals that potentially affect the availability of the housing stock. This is further supported by the lack of rentals to examine housing costs (p. 29). As a result, the element should include a program to address these circumstances.
- 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 B4 and B5, 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, the element includes Program 17 (Zoning Code Updates) to update the Development Code and define and regulate residential care facilities. However, this Program should include specific commitment to permit group homes (six or fewer and seven or more persons) in residential zones with objectivity to promote approval certainty without constraints on housing for persons with disabilities.

- 5. Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)
  - As noted in Finding B1, the element must include a complete 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, 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).)

<u>Program 14 Accessory Dwelling Units</u>: As noted on page 73, this Program should include specific commitment and timing to survey ADUs to determine their affordability. In addition, the Program should conduct a review of ADU production and affordability every two years (instead of a mid-cycle review) and commit to additional actions such as adjusting

assumptions, rezoning or establishing additional incentives within a specified timeframe (e.g., six months).

## 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 consider conservation objectives beyond at-risk preservation. For example, conservation objectives could consider Programs 2 (Code Enforcement), 3 (Non-transient Rental Inspection), and 21 (Housing Choice Vouchers).

#### 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 City made efforts to include the public through a Community Open House and survey, moving forward, the City could employ additional methods for public outreach, particularly to include lower-income and special needs households and neighborhoods with higher concentrations of lower-income households. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income households in future public outreach efforts. In addition, while the element includes a summary of the public participation process and survey responses (Appendix B pp. 3-21), it should summarize comments and discuss how comments were incorporated into the element.

In addition, HCD understands the City made the element available to the public on December 3, 2021, the same day as 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.

# 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 element must describe how the housing element is internally consistent with the rest of the general, including any information to demonstrate what was conducted to achieve and maintain internal consistency as part of this update. The element does not address this requirement and must include specific discussion on how consistency across the general plan was achieved and how it will be maintained during the planning period. For additional information and a sample program, see the Building Blocks at <a href="http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/analysis-consistency-general-plan.shtml">http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/analysis-consistency-general-plan.shtml</a>.

#### G. Coastal Zone

Coastal localities shall document the number of low- and moderate-income units converted or demolished, and the number of replacement units provided. (Gov. Code, § 65588, subd. (d).)

The element does not meet the statutory requirements. The housing element must identify the number of low- and moderate-income dwelling units that have been replaced, demolished, and/or converted, within the coastal zone, since January 1, 1982. The element must also identify the number of residential dwelling units for low- and moderate-income households that have been constructed or required for replacement within the coastal zone.