

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

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October 1, 2021

David Newell, Assistant Director of Planning
Department of Development Services – Planning
City of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA, 92262

Dear David Newell

RE: City of Palm Springs' 6th Cycle (2021-2029) Draft Housing Element Update

Thank you for submitting the City of Palm Springs' (City) draft housing element received for review on August 23, 2021, along with revisions received on September 17, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on September 9, 2021 with you and the City's consultant, Mark Hoffman.

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

Palm Springs' statutory deadline to adopt a housing element is October 15, 2021. 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.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

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.

HCD appreciates the cooperation yourself and the City's consultant, Mark Hoffman provided during the review. 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 Sohab Mehmood, of our staff, at Sohab.mehmood@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul McDougall', with a stylized flourish at the end.

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF PALM SPRINGS

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).)

The element must provide an evaluation of the 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).

B. Housing Needs, Resources, and Constraints

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

Enforcement: While the element does include an analysis of trends and patterns related to fair housing enforcement complaints, it must also describe compliance with existing fair housing laws and regulations and include information on fair housing outreach capacity. For additional information, please see page.28-30 on HCD AFFH Guidance: [Affirmatively Furthering Fair Housing \(ca.gov\)](#).

Regional Trends and Patterns: While the element includes some regional analysis related to factors such as income and disability, it must also analyze regional trends and patterns related to familial status, access to educational opportunities, access to regional transportation, and disproportionate housing needs, including displacement risk and for people experiencing homelessness.

Access to Opportunity: While the element includes a local analysis of access to variety of opportunities including transportation, environmental, and economic, it must analyze educational opportunities. For example, the element included a list of K-12 schools and their rankings; however it should analyze this data for local and regional trends and

patterns. It could also analyze school ranking data relative to different fair housing topics such as integration and segregation and disproportionate housing needs.

Disproportionate Housing Needs, including Displacement Risks: While the element analyzes cost burdened, overcrowded and substandard housing conditions for trends and patterns, it must also analyze persons experiencing homelessness for both local and regional trends and patterns.

Sites Inventory: The element includes a general analysis of the location of sites relative to specific communities; however the element must analyze whether the sites improve or exacerbate each of the fair housing issue areas including segregation and integration, racially and ethnically concentrated areas of poverty and affluence, access to opportunity, and disproportionate housing needs including displacement risk.

Goals, Priorities, Metrics, and Milestones: Goals and actions must significantly seek to overcome contributing factors to fair housing issues. Most of the programs included in the element do not appear to facilitate any meaningful change nor address AFFH requirements. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. For example, the element lists several actions the City will take to address neighborhood disinvestment including promoting projects to improve quality of life and implementing place-based initiatives (p.113). However, the element should include additional information on how and when the City will implement these actions including metrics to measure the effectiveness of this and other actions throughout the planning period.

In addition to including programs that enhance housing mobility; providing housing choices in areas of high opportunity; addressing disproportionate housing needs; the element identifies specific communities that have several fair housing issues including concentrations of poverty, low resourced, and substandard housing conditions and have been designated as disadvantaged communities such as DeMuth and Desert Highlands. As a result, the element must include significant place-based programs for community revitalization. The element could also modify existing programs such as HS2.4, 2.7, 2.8, 2.9, by placing a focus on the communities noted above.

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 (ELI). (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low-Income Households (ELI): While the element identifies the projected number of ELI households, it must still analyze their existing housing needs. This is particularly important given the unique and disproportionate needs of ELI households. For example, the element should analyze tenure, cost burden, overcrowding and other household characteristics then examine trends and the availability of resources to determine the magnitude of gaps in housing needs. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

3. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

Overpayment: While the element identifies the total number of overpaying households, it must quantify and analyze overpaying households by tenure (i.e., renter and owner), including for lower-income households. For your information, please see the SCAG pre-certified local data packages: <https://scag.ca.gov/local-housing-data>.

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).)*

Realistic Capacity: To demonstrate realistic capacity, the element must adjust calculations based on land use controls and site improvements. The element should also include clear supporting information on typical densities of existing or approved residential developments at similar affordability levels. For example, the element could clearly list recent projects, the zone, acreage, built density, allowable density, level of affordability and presence of exceptions such as a density bonus.

Electronic Sites Inventory: 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 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. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions.

Zoning for a Variety of Housing Types (Emergency Shelters): The element states emergency shelters are permitted by-right in the M-2 zone; however, the element must analyze the suitability and capacity of the M-2 zone to meet the need for emergency shelters. For example, the element should identify the number of parcels, typical parcel sizes, available acreage, whether sites are underutilized, and any potential for reusing existing buildings to emergency shelters. The element should also discuss proximity to transit and services and any known hazardous conditions unfit for human habitation.

5. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land-Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should

address land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to multifamily heights and minimum lot sizes. 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.

Processing and Permit Procedures: While the element includes information about processing times and permit approval process, it should also specifically describe the Planning Commission approval process, including the number of hearings and approval findings and analyze any impacts on cost, supply, timing, and approval certainty.

Constraints on Housing for Persons with Disabilities: While the element has a program to amend zoning and permit group homes for six or fewer persons, it does not address group homes for seven or more persons. The element should specifically clarify whether these uses are permitted or allowed including where and how the uses are permitted and evaluate potential constraints. For your information, excluding these uses from residential zones or subjecting the uses to conditional use permits is generally considered a constraint and programs (Program HS1.8) should be modified as appropriate with specific commitment to allow the use in residential zones with objectivity and certainty. Additionally, the element should clarify if the City has any zoning code definition of “family” and evaluate any impacts on housing for persons with disabilities.

On and 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 <http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

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.

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).)*

Approval Time: The element must analyze 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. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B4, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

2. *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 must include programs to assist in the development of housing for lower- and moderate-income households, including ELI and special needs households. Program actions could include proactive outreach and assistance to non-profit service providers and developers, prioritizing some funding for housing developments affordable to special needs households and offering financial incentives or regulatory concessions to encourage a variety of housing types.

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

As noted in Findings B5 and B6, the element requires a complete analysis of potential governmental 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.

4. *Promote AFFH opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and*

planning law. (Gov. Code, § 65583, subd. (c)(5).)

As noted in Finding B1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs.

5. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

The element includes Program HS3.8 (At-Risk Preservation) to monitor the status of at-risk projects and contact property; however, the Program should also commit to comply with noticing requirements within 3 years, 12 months, and 6 months of the affordability expiration date, coordinate with qualified entities and provide education and support for tenants.

D. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(8).)

The element includes a complete summary of the public participation process to date, including a description of public comments. However, the element must also describe how public comments were considered and incorporated into the element.