

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

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



November 15, 2021

Mark Persico, Interim Director  
Community Development Department  
City of Rosemead  
8838 E. Valley Blvd.  
Rosemead, CA 91770

Dear Mark Persico:

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

Thank you for submitting the City of Rosemead's draft housing element received for review on September 16, 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. In addition, HCD considered comments from Californians for Homeownership and Josh Albrektson pursuant to Government Code section 65585, subdivision (c).

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

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 the statutory deadline (October 15, 2021), 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).

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: [http://opr.ca.gov/docs/OPR\\_Appendix\\_C\\_final.pdf](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and [http://opr.ca.gov/docs/Final\\_6.26.15.pdf](http://opr.ca.gov/docs/Final_6.26.15.pdf).

HCD appreciates the cooperation and hard work during the housing element update. 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 Gianna Marasovich, of our staff, at [Gianna.Marasovich@hcd.ca.gov](mailto:Gianna.Marasovich@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 ROSEMEAD

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. 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).)*

Racial/Ethnic Areas of Concentration of Poverty (R/ECAP): The element notes there are no R/ECAPs in the City. However, the City does have an area of High Segregation and Poverty according to TCAC/HCD Opportunity maps and should include specific analysis. The analysis should address trends, past and current efforts, including investment and their effectiveness, local data and knowledge, other relevant factors (as noted below), particularly relative to equitable quality of life, resources, and strategies to address any inequities in quality of life. The analysis should also consider any overlapping fair housing issues with other components of the assessment of fair housing (e.g., access to opportunity and disproportionate housing needs, including displacement).

Disparities in Access to Opportunity: While the element addresses access to education, economic and environmental quality opportunities, it should also address access to opportunities for transportation.

Disproportionate Housing Needs: In addition to analyzing patterns of overpayment and overcrowding, the element should also address housing conditions. For example, while the element mentions City-wide statistics on lacking plumbing and kitchen facilities, it should also address patterns and trends within the City. The analysis could utilize data from the City's code enforcement and neighborhood preservation programs and compare conditions from neighborhood to neighborhood.

Sites Inventory: While the element included data on the location of RHNA sites relative to all fair housing components, the analysis should address how the sites improve fair housing conditions related to each component of the analysis (if sites exacerbate conditions, programs that can mitigate impact), whether the sites are isolated by income group and should be supported by local data and knowledge.

Local Data and Knowledge: The element should consider other local data and knowledge to complete the affirmatively furthering fair housing (AFFH) analysis. Examples include input from neighborhoods such as the identified area of high segregation and poverty, knowledge from local planners and city administrators and city records and reports.

Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues. 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.

Contributing Factors: Upon a full analysis of the AFFH section, the element should re-evaluate contributing factors to fair housing issues. In addition, the element lists several contributing factors, but it should also prioritize those contributing factors.

Goals, Actions, Metrics, and Milestones: The element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

2. *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).)*

Extremely Low-Income (ELI) Households: 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 could 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).)*

Housing Conditions: The element quantifies the age of the housing stock and some enforcement activities. However, it must 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. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

Overcrowding: The element quantifies the number of overcrowded households, but it should also quantify overcrowded households by tenure (renter and owner) and include analysis such as evaluating trends, comparing rates of overcrowding to other areas, and assessing the magnitude of the need.

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).)*

Progress in Meeting the RHNA: The City's RHNA may be reduced by the number of new units built since July 1, 2021. The element must credit these units to the various income groups based on actual or anticipated sales price or rent level of the units or other mechanisms ensuring affordability (e.g., deed-restrictions). Most of the projects are credited toward the above moderate-income category and do not require analysis. However, the element should demonstrate the affordability of the approved project at 3001 Walnut Grove Avenue as described above.

Parcel Listing: The element lists parcels by various factors such as size, zoning, general plan designation and existing use. However, the description of existing use is generic and must include sufficient detail to facilitate an analysis of the potential for addition development on nonvacant sites. For example, many sites describe existing uses as commercial. Instead, the inventory could describe the use as commercial, structure older than 50 years in poor condition, vacancies present, and an existing floor area 0.1. Alternatively, the inventory could utilize various data layers with similar information. For more information, see the HCD's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Suitability of Nonvacant Sites: The element briefly mentions nonvacant sites mainly consist of underdeveloped properties with low-value or marginal uses, but it must include analysis to demonstrate the potential for redevelopment of nonvacant sites. The analysis should consider the extent to which existing uses may constitute an impediment to additional residential development, the City's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

In addition, because the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, it must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Realistic Capacity: The element mentions expected densities in mixed-use designations based on aggregated intensity across all land and the average density of some recent developments. However, the element should also address the likelihood of 100 percent nonresidential uses and account for this likelihood in the calculation of residential capacity. This is particularly important since the mixed-use overlay appears to allow 100 percent nonresidential uses, including uses allowed under base zoning. The analysis should address development trends, performance standards or other relevant factors such as enhanced policies and programs. For example, the element should analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly.

Small Sites: The element identifies several sites at less than a half-acre in Table A, Appendix C. These sites are not eligible absent a demonstration that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless other evidence is provided. If the inventory indicates some sites can be consolidated it should also provide analysis demonstrating the potential for consolidation. For example, the analysis could describe the City's role or track record in facilitating small-lot consolidation, policies or incentives offered or proposed to encourage and facilitate lot consolidation, conditions rendering parcels suitable and ready for lot consolidation, or information from the owners of each aggregated site.

Environmental Constraints: While the element generally describes a few environmental conditions within the City (pp. 33-34), it must 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.

Infrastructure: The element mentions water and sewer providers, but it should also clarify whether sufficient total water and sewer capacity (existing and planned) to accommodate the regional housing need is available and add or modify programs if appropriate.

Electronic Sites Inventory: 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/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov) for technical assistance.

#### Zoning for a Variety of Housing Types:

- *Emergency Shelters*: The City currently does not have a zone available to permit emergency shelters without discretionary action, a requirement in statute for over a decade. HCD cannot find the element in compliance until the appropriate zoning is adopted with sufficient capacity to accommodate the need for emergency shelters. In addition, the element should analyze capacity in the proposed M-1 zone relative to any conditions inappropriate for human habitability. The analysis should also

address the proposed development standards, including parking requirements, for compliance with statutory requirements and add or modify programs as appropriate.

- *Manufactured Housing*: Government Code section 65852.3 generally requires manufactured homes on foundations to be allowed on lots zoned for single-family residential uses and only subject to the same standards as single-family residential uses. The element describes that manufactured housing is only allowed in the R-2 zone and may be allowed in the R-1 zone subject to essentially a conditional use permit. This appears inconsistent with state law. The element should either demonstrate compliance with statutory requirements or add or modify programs as appropriate.
- *Transitional and Supportive Housing*: Transitional and supportive housing must be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).) The element states transitional and supportive housing are allowed by right in the R-1, R-2, R-3 and GSP-R/C zones but does not clearly demonstrate whether these uses are permitted in all zones allowing residential uses such as mixed-use zones. The element must demonstrate compliance with statutory requirements or add or revise programs.

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 housing. The analysis should analyze land-use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related heights, floor area ratios, unit sizes and multifamily parking. 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.

In addition, the element includes minimum lot sizes for multifamily developments (p. 41), however identified sites (Appendix B) appear to include sites smaller than the minimize lot sizes. The element should either clarify how development may occur on sites not meeting minimum lot sizes, remove sites or include a program to mitigate this constraint.

Zoning Code and Fees Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning and development standards on the jurisdiction's website or add or modify programs as appropriate.



SB 35 Streamlined Ministerial Approval Process: The element must clarify whether there are written procedures for the SB 35 (Chapter 366, Statutes of 2017) Streamlined Ministerial Approval Process or add a program to address these requirements.

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).)*

Large Households: The element notes large households are defined as consisting of five or more persons and refers to data in Table 10. However, Table 10 refers to large households as four or more persons and the element should include the correct data. In addition, the element should quantify large households by tenure (renter and owner) and include analysis such as evaluating trends, comparing percentages to other areas, and assessing the magnitude of the need

Farmworkers: The element indicates a small amount of the workforce in Rosemead are farmworkers. However, farmworkers from the broader area and those employed seasonally may have housing needs, including within the City's boundaries. As a result, the element should at least acknowledge the housing needs of permanent and seasonal farmworkers at a county-level (e.g., using USDA county-level farmworker data) and include programs as appropriate.

## **B. 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 A4, 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 6 (Adequate Sites): The Program commits to rezone sites that meet various requirements, including permitting at least 16 units on a site. Then the Program appears to identify a site(s) that does not permit 16 units. This site(s) may not be utilized toward the shortfall of sites to accommodate the RHNA for lower-income households.



- Sites Identified in Prior Planning Periods: The element must include a program for vacant sites identified in two of more consecutive planning periods' housing elements or nonvacant sites identified in a prior housing element, that are currently identified to accommodate housing for lower-income households. The program must be implemented within the first three years of the planning period and commit to zoning that will meet the density requirements for housing for lower-income households and allow by-right approval for housing developments that include 20 percent or more of its units affordable to lower-income households. (Gov. Code, § 65583.2, subd. (c).)
  - Lot Consolidation: The element includes Programs 4 and 7 to promote consolidation of smaller sites. However, based on information in Appendix A, these programs do not appear to have been effective in the prior planning period. These Programs should be revised as appropriate based on a complete analysis under Finding A4 and a complete evaluation of program effectiveness in the prior planning period.
  - Program 8 (Special Housing Needs and Zoning): As noted in Finding A4, the element cannot be found in compliance until zoning is amended to permit emergency shelters without discretionary action. This program should be revised with specific and clear commitment and timing as appropriate.
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 very low-, low-, and moderate-income households, including ELI and all special needs households (e.g., elderly, homeless, farmworkers, persons with disabilities, female-headed households). Program actions could include proactive outreach (e.g., annually) and assistance to non-profit service providers and developers, prioritizing some funding for housing developments affordable to lower-income, ELI and special needs households and offering financial incentives or regulatory concessions to encourage a variety of housing types. While the element includes Program 9 (Development of Housing for ELI), it must still include actions for lower-income and all special needs households. Finally, Program 9 should be revised with discrete timing and outreach with developers (e.g., annually) and Program 11 (Mobile Home Park Assistance) should be revised with specific commitment and timing to apply or assist applications for funding (e.g., bi-annually).

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 Finding A5, 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, on page 40, the element indicates multifamily heights in the R3 zone present a significant constraint to development and as a result, the element should include a program to increase allowable heights and number of stories.

4. *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 A1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs.

### **C. 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 construction, it should also include objectives for rehabilitation and conservation. For your information, conservation objectives are not limited to units at-risk of conversion to market rate uses and may include activities planned under Programs 5 (CHDO), 10 (Housing Vouchers) and 11 (Mobile Home Park Assistance).

### **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).)*

HCD understands the City made the element available to the public on September 3, 2021, only two weeks before submitting to HCD on September 16, 2021. By not providing an adequate 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 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 revising 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.