

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

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September 5, 2023

Todd Juhasz, City Manager
City of Mount Shasta
305 N. Mt. Shasta Boulevard
Mt. Shasta, California 96067

Dear Todd Juhasz:

RE: City of Mount Shasta's 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the City of Mount Shasta's (City) draft housing element received for review on June 7, 2023. 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 David Kellogg, pursuant to Government Code Section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq). 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 February 15, 2023. 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.

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.

Please note, pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory.

Please see HCD's housing element webpage at <https://www.hcd.ca.gov/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. 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.

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 Affordable Housing and Sustainable Communities program, 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: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Tristan Lanza, of our staff, at tristan.lanza@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF MOUNT SHASTA

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. Housing Needs, Resources, and Constraints

1. *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).)*

The element includes data and a general discussion of housing challenges faced by special-needs households. However, the element must be revised to include an analysis of the existing needs and resources for each special need group including seniors, persons with disabilities including developmental disabilities, farmworkers and extremely low-income (ELI) households. For example, the element should discuss the existing resources to meet housing needs (availability of shelter beds, number of large units, number of deed restricted units, etc.), an assessment of any gaps in resources, and proposed policies, programs, and funding to help address those gaps.

2. *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 analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address all development standards such as minimum lot sizes, parking (see below) and minimum unit 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.

Local Processing and Permit Procedures: While the element analyzed most of the required permits for housing, it must discuss and analyze the City's site plan review requirement. The analysis should discuss the approval body, number of public hearings, if any, approval findings, timing, and any other relevant information.

Additionally, the element indicated that multifamily housing is allowed in the R-3, C-1 and C-2 zone up to 20 units per acre. However, the element also states that multifamily housing providing more than four units is required to obtain a conditional use permit (CUP) and go through the City's architectural design review. The analysis noted that the CUP process takes 6-12 months, requires the project to meet compatibility findings, and have a public hearing with planning commission. Additionally, these types of projects must also have design review approval that includes potentially several subjective criteria. Lastly, the element indicated that multifamily projects larger than 20,000 gross floor area must receive additional discretionary permits (e.g., provision permit). The analysis demonstrated that 1) multifamily housing is generally subjected to a discretionary process in zones that are intended for multifamily housing and 2) the City subjects multifamily housing to two types of processes that are subjective and potentially redundant of each other. The element must include or modify programs committing to permit multifamily projects with objectivity and certainty and addressing or removing the CUP requirements for multifamily housing in zones intended to permit multifamily housing.

3. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... 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).)*

The element must analyze (1) requests to develop housing at densities below those identified in the inventory, (2) the length of time between receiving approval for a housing development and submittal of an application for building permits, and (3) any local efforts to address or mitigate nongovernmental constraints such as reduced fees, financing for affordable housing or expedited processes. The analysis should address any hinderances on the construction of a locality's share of the regional housing need and programs should be added or modified 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 A2, 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).)*

Special Needs Populations: While the element included programs to address lower-income households, it must also include a program(s) to assist in the development of housing for all special-needs households (e.g., elderly, homeless, farmworkers, persons with disabilities, female-headed 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. Program should also be responsive to a complete analysis, as noted in Finding A1.

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 A3 and A4, 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, Program HO-2.3.8 (Design Review) states that it will consider adopting objective standards or making modifications to current standards that apply to multifamily housing. However, given that the City's design review and permit process is generally considered a constraint to multifamily housing (see Finding A4), the element should go beyond just "considering" adopting amendments and include a specific commitment.

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

The element included Programs 7.1.1 and 7.1.2 to address fair housing issues including conducting outreach, providing information on fair housing laws, facilitating trainings, and implementing housing rehabilitation programs. First, the element must be revised with quantified metrics for each of these efforts. For your information, quantified metrics should target beneficial impacts for people, households, and neighborhoods (e.g., number of people or households assisted, number of housing units built, number of parks or infrastructure projects completed). Second, the element must include additional actions to promote a variety of housing choices and affordability throughout the City. The element included several programs that could be revised with geographic targeting, significant commitments, and quantified metrics to address this requirement. These programs include efforts related to accessory dwelling units (ADU), SB9, mobile home park conversion and condominium conversion ordinances. Finally, the City could also consider evaluating efforts from similar jurisdictions such as Yreka including but not limited to the City's actions to identify additional sites beyond the RHNA, voluntary rezoning program, identification of publicly-owned sites, adaptive reuse, connecting lower-income residents to services and rent stabilization efforts.

C. 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).)

The element summarizes comments and themes as a result of public participation and then broadly states comments were incorporated into policies and programs to encourage a range of housing. However, the public participation resulted in many meaningful comments and themes and should better explain how these comments were incorporated into the element and if necessary, add or modify the element to address public comments.