

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

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May 29, 2024

Taven M. Kinison Brown, Director
Community Development Department
City of Gonzales
147 Fourth Street
Gonzales, CA 93926

Dear Taven M. Kinison Brown:

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

Thank you for submitting the City of Gonzales' (City) draft housing element received for review on February 29, 2024, along with revisions received on May 23, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by conversations on May 1, 2024, and May 8, 2024 with you and Alejandra Flores, Administrative Assistant. In addition, HCD considered comments from David Kellogg and LandWatch 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 December 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.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City did not adopt a compliant housing element within 120 days of the statutory deadline (December 15, 2023), rezones to accommodate a shortfall or sites or make prior identified sites available must 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). Please be aware, if the City does not adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until rezones

to accommodate a shortfall of sites or make prior identified sites available are completed pursuant to Government Code sections 65583, subdivision (c)(1)(A) and 65583.2, subdivision (c).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the 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>.

HCD appreciates the assistance and cooperation you and Alejandra Flores, Administrative Assistant, 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 Clare Blackwell, of our staff, at Clare.Blackwell@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF GONZALES

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

While the element describes the accomplishments of past programs for housing for persons with special needs (App. A); a complete analysis must provide an evaluation of the cumulative effectiveness of these strategies in meeting the housing needs of all special-needs populations. Programs should be revised as appropriate to reflect the results of this evaluation.

B. Housing Needs, Resources, and Constraints

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

Enforcement: The element must include an analysis of any findings, lawsuits, or judgements related to enforcement actions regarding fair housing in the City. In addition, the analysis must describe compliance with existing fair housing laws and regulations.

Patterns and Trends and Local Knowledge: The element should complement federal, state, and regional data with local data and knowledge where appropriate to better describe patterns within the City for all components of the assessment of fair housing (e.g., segregation and integration, disparities in access, disproportionate housing needs), including utilizing knowledge from local and regional advocates and service providers. Also, the element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends.

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element does not address this requirement. The analysis must identify whether sites improve or exacerbate conditions and whether sites are isolated by income group. An analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that affects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). This analysis should be conducted by a geography smaller than census tract and should incorporate pipeline projects. The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to promote equitable quality of life throughout the community (e.g., anti-displacement and place-based community revitalization strategies).

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element should re-assess and prioritize contributing factors to fair housing issues and add or modify programs as appropriate.

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).)*

Employment: While the element includes a brief discussion of employment characteristics within the City, the analysis should also include discussion of major employers, job to housing fit (e.g., wages compared to housing affordability), and past and emerging employment trends.

Extremely Low-Income (ELI) Households: The element includes analysis regarding ELI households such as the number of households and overpayment (Section 4, pg. 12), but must also identify projected housing needs. The projected housing need for ELI households can be calculated by using available census data to determine the number of very low-income households that qualify as ELI households or presume that 50 percent of the regional housing need allocation (RHNA) for very low-income households qualify as ELI households. For additional information, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs>.

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: While the element notes 15 properties are in need of rehabilitation and replacement in the City (Section 5, pg. 86), it should also estimate the number of units in need of replacement. The estimate should consider all housing types (e.g., single-family, multifamily, mobile homes). 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 non-profit housing developers or organizations.

Special Housing Needs: While the element includes a general discussion of the special housing needs of farmworkers, the analysis should be expanded to discuss challenges faced by the existing farmworker population within the City, the existing resources to meet those needs (availability farmworker housing units, etc.), an assessment of any gaps in resources, and proposed policies, programs, and funding to help address those gaps. The analysis could consider past studies conducted in the region and statewide. HCD will send additional information under separate cover.

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, approved, or pending (pipeline) since June 30, 2023. The element is counting 36 units as progress towards the RHNA including 14 units affordable to lower-income households and 22 units affordable to moderate-income households. However, to count these units as progress towards RHNA, the element must demonstrate the availability of these units or likelihood of being completed within the planning period. While the element indicates that anticipated occupancy of the project will be in 2027, the analysis should also address the status, any barriers to development and other relevant factors such as build out horizons, phasing, and dropout rates to demonstrate the availability or likelihood of development in the planning period. To address this, the element could discuss schedule for completion, remaining steps for the project to receive final entitlements and any other relevant information. Lastly, if the element utilizes a significant number of pipeline units toward the RHNA, it should include programs with actions that commit to facilitating development and monitoring approvals of the projects (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals, rezoning or identification of additional sites should the applications not be approved).

Parcel Listing: The element must identify the anticipated affordability level of the units for each site identified in the sites inventory (Gov. Code, § 65583.2, subd. (c).).

Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory and briefly describes the development trends in Soledad that led to the assumptions (Section 3, pg. 52), Table 10 should clearly list allowable densities, level of affordability and presence of exceptions such as a density bonus and include analysis to demonstrate similarity between identified development examples and sites in the inventory. The analysis could also be supplemented by development trends throughout the broader region. The estimate of the number of units for each site must also be adjusted as necessary, based on the land use controls and site improvements, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

In addition, the element appears to assume residential development on sites with zoning that allow 100 percent nonresidential uses. While the element mentions implementation of the Workforce Housing Overlay and incentives for residential development, it must still account for the likelihood of nonresidential uses. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculation, policies and program accordingly. The element should include analysis based on factors such as development trends, performance standards or other relevant factors.

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. To address this requirement, the element describes in general the existing use of each nonvacant site for example “former commercial” or “industrial.” This alone is not adequate to demonstrate the potential for redevelopment in the planning period. The description of existing uses should be sufficiently detailed to facilitate an analysis demonstrating the potential for additional development in the planning period. In addition, the element should indicate whether existing uses will continue and if so, how redevelopment is expected to occur. The element must also analyze the extent that existing uses may impede additional residential development. For example, the element includes sites identified as single-family residences and a motel, but no analysis was provided to demonstrate whether these existing uses would impede development of these sites within the planning period. The element can summarize past experiences converting existing uses to higher density residential development, include current market demand for the existing use, provide analysis of existing leases or contracts that would perpetuate the existing use or prevent additional residential development and include current information on development trends and market conditions in the City and relate those trends to the sites identified. The element could also consider indicators such as age and condition of the existing structure expressed developer interest, low improvement to land value ratio, and other factors.

In addition, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, the housing element must demonstrate that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2).).

Finally, the element utilizes sites with existing residential uses. Absent a replacement housing policy, these sites are not adequate sites to accommodate lower-income households. The replacement housing policy has the same requirements as set forth in Government Code section 65915, subdivision (c) (3).

Small and Large Sites: For your information, sites smaller than half an acre or greater than ten acres are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites of equivalent size with affordability were successfully developed during the prior planning period or other evidence demonstrates the suitability of these sites. For example, for large sites,

the element should discuss past large sites that were developed, including the number of units and affordability, opportunities for parceling at appropriate sizes (e.g., 1-10 acres) and incentives or other mechanisms to promote affordability.

Availability of Infrastructure: The element included a capacity analysis for water, sewer, and dry utilities. The analysis noted that expansions and upgrades to the current infrastructure system may be needed to meet increased demand with planned City buildout such as the wastewater collection system. The element must include a program committing to actions and a timeline to make sufficient infrastructure available to accommodate the RHNA. Additionally, while the element included an analysis of infrastructure capacity, the element must specifically indicate whether sufficient total water, sewer, and dry utilities infrastructure capacity (existing and planned) is available to accommodate the RHNA and include programs as 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.) Local governments are required to immediately deliver the housing element to water and sewer service providers. The element should discuss compliance with these requirements and if necessary, add or modify programs to establish a written procedure by a date early in the planning period. For additional information and sample cover memo, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/priority-water-and-sewer>.

Environmental Constraints: While the element generally describes a few environmental conditions within the City (Table H3-1), it must describe how these conditions relate to identified sites including and describe any other known environmental or other conditions that could impact housing development on identified sites in the planning period. Examples of other conditions include parcel shape, right of way access, property conditions, easements, Williamson Land Act contracts and agricultural land loss mitigation policies.

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

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* Chapter 654, Statutes of 2022 (AB 2339), adds additional specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. For example, the element must describe the City's definition of an emergency shelter, list and analyze development standards, including parking requirements, analyze sufficient capacity to accommodate the need for emergency shelters and proximity to transportation and services. For additional information, please see HCD's memo at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

- *Employee Housing*: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.8 and add or modify programs to ensure compliance. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.8 requires that a development is subject to a streamlined, ministerial approval process and is not subject to a conditional use permit (CUP) if the development is an eligible agricultural employee housing development. Based on a complete analysis, the element should add or modify programs.
 - *Transitional and Supportive Housing*: The element indicates that transitional housing and supportive housing are permitted in the same zoning districts as Residential Care Facilities. Additionally, the element included Table 24 listing allowable uses per zoning district. However, transitional housing 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. The element must demonstrate compliance with these requirements and add or modify programs as appropriate.
 - *Single-Room Occupancy (SRO) Units*: The element generally lists SROs as allowed uses in some zones but should also discuss development standards and permit procedures that facilitate the use. Based on a complete analysis, the element should add or modify programs as appropriate to remove any potential constraints on the development of SROs and encourage and facilitate SRO development in the allowable zoning districts.
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 analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to height limits, open space requirements, 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.

In addition, the analysis should address parking requirements for multifamily development, including guest parking requirements, particularly smaller bedroom (e.g., studio, one-bedroom) types for impacts on cost, supply, housing choice and affordability and include programs to address identified constraints.

Fees and Exaction: The element must describe 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. While the element includes Table 30, it must also describe impact fees and analyze all fees on a per unit basis for single family and multifamily. For example, the analysis could identify the total amount of fees and their proportion to the development costs for both single-family and multifamily housing.

Local Processing and Permit Procedures: While the element describes the site plan permit approval process, an analysis should list approval findings and analyze impacts on housing cost, supply, timing, and approval certainty. Based on a complete analysis, the element should add or modify programs as appropriate.

Design Review: The element must describe and analyze the design review guidelines and process, including approval procedures and decision-making criteria, for their impact as potential constraints on housing supply and affordability. For example, the analysis could describe required findings and discuss whether objective standards and guidelines improve development certainty and mitigate cost impacts. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate.

Building Codes and Enforcement: The element must describe and analyze any local amendments to the building code and their enforcement for impacts on housing supply and affordability. In addition, the element should describe how building codes are enforced (proactive, reactive, or combination).

Constraints on Housing for Persons with Disabilities: The element must describe and analyze the permitting process for group homes of six or fewer, including whether the use is permitted similar to a single-family use. In addition, while Program HE-1.3.2 commits the City to allow Residential Care Facilities for 7 or more as a permitted use in residential zones, the Program should clarify that Residential Care Facilities for 7 or more will be permitted in all zones allowing residential uses and similar to other residential uses of the same type in the same zone.

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).)*

Land Costs: While the element generally states that property values have remained lower in Gonzales compared to other areas of the County and identifies the median

sales price of a single-family residence (Section 4, pg. 32), it must still quantify the average cost of land in Greenfield.

Approval Times: The element must identify and analyze the length of time between receiving approval for a housing development and submittal of an application for building permits. The analysis should address any hinderances on the jurisdiction's ability to accommodate RHNA by income category and include programs 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. In addition, the element should be revised as follows:

- *Program 1.1.2 (Large Site Development):* While the element includes Program 1.1.2 to facilitate development of large sites identified in the inventory, the Program should include specific commitment to encourage appropriately sized sites and affordability. In addition, if necessary to accommodate the housing needs of lower-income households, the Program should specifically commit to rezoning sites pursuant to Government Code section 65583.2, subdivisions (h) and (i). Finally, the Program should commit to monitoring development on large sites and identifying additional sites or rezoning if development is not progressing by midway through the planning period.
- *Program 1.1.3 (Annexations):* The element indicates that the Vista Lucia project is undergoing an annexation process and that the City must rely on annexation to accommodate its regional housing need. Therefore, the element must modify Program 1.1.3 to rezone other sites if annexation is not completed by a date specified in the Program. Further, if there is a shortfall of capacity with available zoning to accommodate the lower-income RHNA, the Program must commit to meet all by-right requirements pursuant to Government Code section 65583.2.

For example, housing developments with 20 percent affordability should be permitted without discretionary action at minimum densities.

- *Program HE-1.3.2 (Prior Identified Sites)*: While the Program includes action (J) relating to prior identified sites, the Program should either commit to rezone by a specified date or clarify that the policy will take effect upon adoption of the housing element.

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).)*

While the element includes Program 2.2.1 to assist in the development of housing for special-needs households, the Program should also include specific actions and timelines to assist in the development of housing for ELI households. For example, the program could commit the City to adopting priority processing, granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to ELI households; assisting, supporting, or pursuing funding applications; and outreach and coordination with affordable housing developers. In addition, the program should include measurable metrics or objectives.

In addition, Program 2.2.4 (Farmworker Housing) was included to address housing for farmworkers including seeking funding, creating informational materials, and collaborating with employers to identify specific development opportunities. However, given the importance of farmworkers and the regional needs, the element should expand actions to specifically address the needs of farmworkers that are responsive to the analysis. For example, the element could commit providing technical assistance on funding applications or other proactive actions to facilitate the development of farmworker housing.

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 and non-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. In addition, the element should be revised as follows:

- *Program HE-1.3.2 (Definition of Family)*: While the Program includes action (K) to revise the definition of family, it should clarify that the definition will not limit the number of persons or regulate unrelated persons.
- *Program HE-2.2.3 (Reasonable Accommodation Procedure)*: While the Program includes action (C) to establish a reasonable accommodation procedure, the

Program should commit to replace the current process with a procedure consistent with fair housing requirements.

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).)*

As noted in Finding B1, the element requires a complete AFFH analysis. Depending upon the results of that analysis, the City may need to revise or add programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in relatively higher opportunity or income areas, place-based strategies for community preservation and revitalization and displacement protection. Furthermore, the element must include geographic targeting, metrics, and milestones toward AFFH outcomes. For your information, metrics (where applicable), should be targeting 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). Programs to be revised with specific metrics include Program 1.2.3 (Objective Development Standards), Program 1.2.4 (Density Bonus Programs), Program 1.3.1 (Missing Middle Housing), Program 2.1.1 (Provide Incentives for Affordable Housing), Program 2.2.1 (Pursue Funding to Assist in Development of Special Needs Housing), and Program 2.2.3 (Housing and Services for Individuals with Disabilities). In addition, the element should be revised as follows:

- *Program 1.3.1 (Missing Middle Housing Production)*: The Program should be modified to include outreach and additional incentives to promote missing middle housing production.
- *Program 2.3.1 (Anti-Displacement Actions)*: While Program 2.3.1 was included to prevent displacement of existing residents, the Program should expand actions to address displacement risk. For examples of potential programs, please see HCD's AFFH Guidance Memo (pg. 74). HCD will send additional examples under separate cover. In addition, the program should include discrete timing (e.g., at least bi-annually) for rehabilitation and geographic targeting.
- *Program 3.1.2 (Housing Choice Voucher Collaboration)*: While the element includes Program 3.1.2 to assist the Housing Authority in expanding the number of developments that accept housing choice vouchers and commits to increase the number of property owners that accept housing choice vouchers in moderate resource areas by 25 percent, the program should also target outreach to higher resource areas in the City and include metrics as appropriate.
- *Program 4.1.1 (Fair Housing Information, Education, and Enforcement)*: The element includes Program 4.1.1 to conduct outreach and disseminate information related to fair housing. However, the Program should be revised to specifically target outreach to areas of higher displacement risk.

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

While the element includes Program 1.3.3 to monitor the development of accessory dwelling units (ADU), the Program commits to adopting additional incentives if development progress is determined to not meet 25 percent of the housing production goals. The Program should be modified to remove the 25 percent progress monitoring standard and take appropriate action such as adjusting assumptions or rezoning within a specified time (e.g., six months).

In addition, following a cursory review of the City's ADU ordinance, HCD discovered several areas which are not consistent with State ADU Law. As a result, the element should include a program to update the County's ADU ordinance to comply with state law.

D. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element provides a summary of quantified objectives starting on page 43 of the policy document. These objectives include new construction, conservation, and rehabilitation objectives by income group. While the element includes rehabilitation objectives for 15 moderate-income units in the 8-year planning period, HCD encourages the City to reconsider increasing these objectives, in particular, for extremely low-, very low-, and low-income households.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

While the element includes a general summary of the public participation process (beginning on Section 1, pg. 5 and in Appendix C), it should also summarize public comments and describe how they were considered and incorporated into the element. Further, while the City made effort to include the public through workshops and surveys, moving forward, the City should employ additional methods for public outreach efforts, particularly including lower-income and special needs households and neighborhoods with higher concentrations of lower-income and special needs households. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income income and special needs households in future public outreach efforts. For additional information, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/public-participation>.