

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

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September 13, 2021

Anna Pehoushek, Assistant Community Development Director
Planning Division
City of Orange
300 E. Chapman Ave.
Orange, CA 92866

Dear Anna Pehoushek:

RE: Review of the City of Orange's 6th Cycle (2019-2021) Draft Housing Element

Thank you for submitting the City of Orange's draft housing element received for review on July 15, 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, Senior Planner Chad Ortlieb, and the City's consultants Nick Chen and Ines Galmiche of Kimley-Horn. In addition, HCD considered comments from the Kennedy Commission; the Law Office of Richard L. Spix; and Elder Law & Disability Rights Center 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 these, and other revisions needed to comply with State Housing Element Law.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2021 for Southern California Association of Governments (SCAG) localities. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the County 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.

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.

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/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. 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 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 meets housing element requirements for these and other funding sources.

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 Mashal Ayobi, of our staff, at Mashal.Ayobi@hcd.ca.gov or (916) 776-7421.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name "Shannan" and the last name "West" clearly distinguishable.

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF ORANGE

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).)

As part of the evaluation of programs in the past cycle (Appendix A: 5th Cycle Review), the element must provide an explanation of the effectiveness of 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))*

The element includes information on pages H-79 to H-85 on AFFH. However, additional information is required as follows:

Enforcement and Outreach: The element must include the City's ability to provide enforcement and outreach capacity at a geographic level. Page 28 of the AFFH Guidance Memo¹ states, "Wherever possible, the summary should include a discussion of fair housing enforcement and outreach (FHEO) at a geographic level appropriate to better determine any locational trends—simply reporting information at a city-wide level will not fully display patterns and impacts on protected characteristics. Examples of appropriate geographic levels include census tracts, block groups, neighborhoods, housing development, or any other sub-section of a locality." Additionally, there are some missing required pieces of the FHEO section:

- Lawsuits
- Enforcement actions

¹ HCD's AFFH Guidance Memo: https://hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf

- Settlements
- Judgments related to fair housing or civil rights

Pursuant to page 29 of the AFFH Guidance Memo, the element should include a description of state and local fair housing laws and how the locality complies with these laws. This page gives an example list of state and local fair housing laws.

Integration and Segregation: The housing element only analyzes integration/segregation patterns & trends for race and ethnicity. Per page 31 of the AFFH Guidance Memo, “At minimum, the analysis must discuss levels of segregation and integration for race and ethnicity, income, familial status, persons with disabilities, and identify the groups that experience the highest levels of segregation.”

Racially/Ethnically Concentrated Areas of Poverty (R/ECAP): While there are no R/ECAPs in the jurisdiction, the element must describe whether there are any Racially Concentrated Areas of Affluence (RCAAs). Page 33 of the AFFH Guidance Memo gives more information about RCAAs.

Disproportionate Housing Needs: The element needs a disproportionate housing needs analysis on homelessness. Please refer to page 39 of the AFFH Guidance Memo for more information on this.

Access to Opportunity: The element discusses the overall high/low opportunity indicators based on census tract but doesn’t give an in-depth discussion of the opportunity variables nor compare to Opportunities at a regional level. Please refer to page 35 of the AFFH Guidance Memo for more info to include to strengthen this section.

In addition, the element is missing an analysis on Disparities in Access to Opportunity for Persons with Disabilities. Pages 36-38 of the AFFH Guidance Memo give more information on what’s required for this part of the analysis.

Contributing Factors: On pages 3-82 of the housing element, it mentions that the County’s Analysis of Impediments (AI) identifies the regional goals for mitigating impediments to fair housing. However, the City must create its own list of contributing factors resulting from the AFFH analysis and must prioritize them. Per page 49 of the AFFH Guidance Memo, “The housing element must include an identification and prioritization of significant contributing factors to segregation, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs.”

Local Data and Knowledge and Other Relevant Factors: The element generally does not address this requirement. Although the element provides some data in the areas of Fair Housing Enforcement and Capacity, Segregation and Integration, Racially/Ethnically Concentrated Areas of Poverty (R/ECAP), Access to Opportunity, and Disproportionate Housing Needs and Displacement Risk, the City’s analysis for each of these areas must also be informed by regional and local data and knowledge from stakeholders within the City. For example, the analysis could utilize outreach as

described above through surveys, interviews, etc. from local non-profit organizations and advocacy groups engaged in housing issues. In addition, the element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical governmental and nongovernmental land use, zoning, and investment practices (e.g., infrastructure) or other information and demographic trends.

Sites Inventory: The element discusses the proposed number of sites and units relative to racial segregation (p. 3-84) but must also address other components of the assessment of fair housing (e.g., R/ECAP, Access to Opportunity, Disproportionate Housing Need, including Displacement). The analysis must also include discussion of all regional housing needs allocation (RHNA) categories, including above moderate-income households, in relation to areas with a higher proportion of white residents and higher median incomes and address how the sites are identified to improve conditions (or if sites exacerbate conditions, how a program can mitigate the impact), whether the sites are isolated by income group and should be supported by local data and knowledge.

Goals, Priorities, 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 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 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).)*

The element identifies the age of the housing stock (p. 2-32). However, this data is insufficient to estimate the number of units in need of rehabilitation and replacement. The analysis could supplement this information with 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. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

The City has a RHNA of 3,936 housing units, of which 1,671 are for lower-income households. To address this need, the element relies on sites that are residentially

zoned or in a mixed-use zone that permits residential uses. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Realistic Capacity: For sites in commercial and mixed-use zones, the element must consider the likelihood of residential development of the estimated number of residential units determined for each site. To demonstrate the likelihood for residential development in nonresidential zones, the element could describe any performance standards mandating a specified portion of residential and any factors increasing the potential for residential development such as incentives for residential use, and residential development trends in the same nonresidential zoning districts. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#zoning>.

Suitability of Nonvacant Sites: While the element provides a description of existing uses on nonvacant and underutilized sites, the element needs to also analyze the extent that existing uses may impede additional residential development. For example, the element includes sites owned by the Regents of the University of California, shopping and commercial centers with active retail, and an Outlet Mall. 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, the element should indicate if the sites owned by the Regents of the University of California are expected to be put on a surplus list or if conversations with the Regents have occurred related to potential residential development of this site.

For your information, 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)).

Large Sites: The 1547 W Katella Ave site is 13.37 acres, and 1 City Blvd West is 11.30 acres. Sites larger than ten acres in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated 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 the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing (Gov. Code, § 65583.2, subd. (c)(2)(A)). As

part of this analysis the element could indicate if a part or whole of the site will be developed and how the site is expected to be redeveloped.

Accessory Dwelling Units (ADU): The element projects 320 ADUs over the planning period or approximately 40 ADUs per year over the eight-year planning period. According to HCD records, ten units were permitted in 2018, ten were permitted in 2019, and 39 permitted in 2020. These trends do not support an assumption of 40 ADUs per year. To support assumptions for ADUs in the planning period, the element should reconcile trends with HCD records, adjust assumptions as appropriate and include additional information such as more recent permitted units and inquiries, resources and incentives, other relevant factors and modify policies and programs as appropriate.

Sites with Zoning for a Variety of Housing Types:

Emergency Shelters: While the element notes emergency shelters are allowed in the M-1 and M-2 zones, it must demonstrate the City still has sufficient capacity to accommodate the identified housing need for emergency shelters and evaluate the available acreage for characteristics like parcel size or potential redevelopment or reuse opportunities, proximity to services and describe development standards.

Accessory Dwelling Units: The element should clarify whether ADUs are permitted in all zones that allow residential uses. Table 3-6 on page 3-22 appears to indicate that ADUs are only allowed in single family residential zones.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)*

Processing and Permitting Procedures: While the element describes the application process, it must describe and analyze the City permit processing and approval procedures by zone and housing type (e.g., multifamily rental housing, mobilehomes, housing for agricultural employees, supportive housing). The analysis must evaluate the processing and permit procedures' impacts as potential constraints on housing supply and affordability. For example, the analysis should consider processing and approval procedures and time for typical single- and multi-family developments,

including type of permit, level of review, approval findings and any discretionary approval procedures.

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.

Zoning and Fees Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning and development standards for each parcel on the jurisdiction's website pursuant to Government Code section 65940.1, subdivision (a), paragraph (1).

Constraints on Housing for Persons with Disabilities: The element currently details that residential care facilities serving six or fewer persons are permitted in all residential zones. However, residential care facilities serving seven or more persons are limited to the same zones with the approval of a conditional use permit. The element should analyze the process as a potential constraint on housing for persons with disabilities and add or modify programs as appropriate to ensure zoning permits group homes objectively with approval certainty.

Local Ordinances: The element must specifically analyze locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances that directly impact the cost and supply of residential development. The analysis should demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.

5. *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. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality's planning for the development of housing for all income levels and the construction of that housing. (Gov. Code, § 65583, subd. (a)(6).)*

The element must be revised to include analysis of requests to develop housing at densities below those anticipated, and the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially hinder the construction of a locality's share of the regional housing need. The analysis must also include an analysis regarding local efforts to address

nongovernmental constraints.

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).)*

While the element quantifies the City's special needs populations, it must also analyze their special housing needs. The element does not include analysis of available resources nor draw any conclusions on housing need that would lead towards programs. For a complete analysis of each population group, the element should discuss challenges faced by the population, the existing resources to meet those needs (e.g., availability senior housing units, 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. In particular, the element should analyze and address how the City is addressing the housing and service needs of the 341 persons identified as experiencing homelessness. It is HCD's understanding that the City is terminating its contract with Mary's Kitchen which provides meals and other services within the City of Orange. The element should discuss how the City will be replacing these services or filling the needs gap resulting from the loss of Mary's Kitchen within the City.

7. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next ten years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)*

According to the California Housing Partnership, four properties that are at-risk: Friendly Center (8 units), Casas Del Rio (40 units), Walnut-Pixley (Site A) (22 units), and the Knolls Apartments (260 units) of converting to market rate within a ten-year period. As a result, the element must provide an analysis on units identified as at-risk of converting to market-rate housing. The analysis of "at-risk" units must include the following (Gov. Code, § 65583, subd. (a)(9).):

- Listing of each development by project name and address
- Type of governmental assistance received
- Earliest date of change from low-income use
- Total number of elderly and non-elderly units
- Estimated total cost for producing, replacing, and preserving the units at-risk
- Identification of public and private non-profit corporations known to the City to have the legal and managerial capacity to acquire and manage at-risk units
- Identification and consideration of use of federal, state, and local financing and subsidy programs.

For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/assisted-housing-developments.shtml> and for more information on identifying units at-risk, see the California Housing Partnership Corporation at <http://www.chpc.net>.

C. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

Programs must demonstrate that they will have a beneficial impact within the planning period. Beneficial impact means specific commitment to deliverables, measurable metrics or objectives, definitive deadlines, dates, or benchmarks for implementation. Programs containing unclear language (e.g., “Evaluate”; “Consider”; “Encourage”; etc.) should be amended to include more specific and measurable actions. Deliverables should occur early in the planning period to ensure actual housing outcomes.

To address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, all programs should be revised to include: (1) a description of the City’s specific role in implementation including meaningful actions the city will take to achieve the identified goals, policies, and program objectives; (2) definitive implementation timelines (e.g., December 31, 2024); (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials (e.g., Planning Assistant, Community Development, etc.). For example, Policy Action 1A (Acquisition/Rehabilitation of Multifamily Residential Development), Policy Action 2C (Development of Housing for Large Families), 2L (Candidate Sites Used in Previous Housing Elements) all requires specific timeframes for identified actions. In addition, the following programs require additional information:

Policy Action 2G (Support Community Housing Development Organization New Construction Projects): The element must describe how the City will seek qualified organizations and more general information on this program.

Policy Action 4B (Homeless Services). The Policy Action states the City provides support for navigation centers in Buena Park and Placentia. The element must describe how the City supports these navigation centers and how these navigation centers address and support the housing and service needs of those individuals experiencing homelessness in the City of Orange.

Policy Action 4E (Support for Persons with Disabilities): Describe how the City will support housing for persons with disabilities and work with the regional center to promote opportunities for supportive living services.

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city’s or county’s share of the regional housing*

need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy (SRO) units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)

As noted in Finding B3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

Policy Action 2E (Facilitate Infill Construction): Provide a specific timeline for evaluating provisions in the Zoning Code for feasibility of providing additional regulatory relief (i.e., streamlined review, reduced and objective development standards, lot consolidations, etc.) In addition, this program could be expanded to provide specific provisions to support development of housing on the sites identified in the inventory including the redevelopment of sites with existing uses identified to accommodate the lower-income RHNA. As existing leases have been identified as a potential constraint to developing the nonvacant sites for the lower-income RHNA, the program could also monitor development on sites with existing leases as it relates to the provision of housing affordable to lower-income households and commit to the provision of additional actions as necessary to facilitate development or identify additional sites.

Policy Action 2K (Create ADU Monitoring Program): The program states that the City will monitor ADU development progress after 2 years of adopting the 6th cycle housing element and will take action within six months to ensure adequate capacity at each income level. The program should also commit to monitor by affordability assumptions.

3. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

Policy Action 2B (Promotion of Affordable Housing) indicates the development of housing for lower- and moderate-income households will be assisted primarily by applying state density bonus law (SDBL). However, in addition to complying with SDBL, the element must include a program(s) describing specific actions the City will take to assist in the development of housing affordable to lower- and moderate-income households, including extremely low-income households (ELI). For example, programs could prioritize some funding for the development of housing affordable to ELI households and offer financial incentives or regulatory concessions to encourage the development of a variety of housing types, such as

multifamily, SRO units, and supportive housing, to address the identified housing needs for ELI households. The inclusion of specific programs to assist in the development of housing affordable to lower-income households is critical as, per third party comments received from the Kennedy Commission, the number of units affordable to moderate- and above moderate-income households approved in the last seven years was 23 times greater than those approved for low- and very low-income households.

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

As noted in Findings B4 and B5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

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 Policy Action 1B (Monitoring and Preservation of “at-risk” Units) to monitor the units and provide technical assistance. However, the element must include specific and proactive actions to preserve the at-risk units. For example, the program could support applications by non-profits for funding to purchase at-risk units, strengthen relationships with the listed non-profits and develop a plan or strategy for quickly moving forward in the case units are noticed to convert to market-rate uses in the planning period, and consider pursuing funding on at least an annual basis. The program could also commit to contacting non-profits immediately to develop a preservation strategy by a date certain and be ready to quickly act when notice of conversion is received and monitoring the units to ensure tenants receive proper notifications.

6. *Develop a plan that incentivizes and promotes the creation of ADUs that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, “accessory dwelling units” has the same meaning as “accessory dwelling unit” as defined in paragraph (4) of subdivision (i) of Section 65852.2. (Gov. Code, § 65583, subd. (c)(7).)*

The element is required to include a program that incentivizes or promotes ADU development for very low-, low-, and moderate-income households. This can take the form of flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, fee waivers and more. Other strategies could include developing information packets to market ADU construction, targeted advertising of ADU development opportunities or establishing an ADU specialist within the planning department.

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 must include quantified objectives to establish an estimate of housing units by individual income category that can be constructed, rehabilitated, and conserved over the planning period.

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)(8).)

While the element includes a general summary of the public participation efforts, it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element should be revised to discuss outreach to lower-income and special needs groups during the public participation efforts, solicitation efforts for survey responses, and participation in community workshops. In addition, the element should also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml>.