

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

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April 30, 2021

Leighann Moffitt, Planning Director
Department of Planning and Environmental Review
County of Sacramento
827 7th Street, Room 225
Sacramento, CA 95814

Dear Leighann Moffitt:

RE: Review of Sacramento County's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the County of Sacramento's (County) draft housing element received for review on March 2, 2021. The California Department of Housing and Community Development (HCD) received revisions on April 22, 2021 but did not consider these revisions due to timing in the review period. Pursuant to Government Code section 65585, subdivision (b), HCD is reporting the results of its review. Our review was facilitated by a telephone conversation on April 19, 2021 with you, Kate Rose, Leanne Mueller, Kristina Grabow, and your consultant Chelsey Payne. In addition, HCD considered comments from House Sacramento, Refugee Enrichment and Development Association, Legal Services of Northern California on behalf of themselves, and Sacramento Housing Alliance pursuant to Government Code section 65585, subdivision (c).

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

To remain on an eight-year planning cycle, the County must adopt its housing element within 120 calendar days from the statutory due date of May 15, 2021 for Sacramento Area Council of Governments (SACOG) 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

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element

process, the County 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.

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 County will meet housing element requirements for these and other funding sources.

HCD appreciates the dedication your, Kate Rose, Leanne Mueller, Kristina Grabow, and Chelsey Payne provided during the course of our review. We are committed to assisting the County in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Hillary Prasad, of our staff, at Hillary.prasad@hcd.ca.gov.

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 COUNTY OF SACRAMENTO

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

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

A. Housing Needs, Resources, and Constraints

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

Enforcement and Outreach: The housing element must include a summary of fair housing enforcement and outreach capacity. The analysis must address lawsuits and related enforcement actions, compliance with existing fair housing laws and regulations and fair housing enforcement and housing outreach capacity.

Local and Regional Trends and Patterns: The element describes regional trends based on the Analysis of Impediments, but must analyze Sacramento County relative to the rest of the region regarding race, persons with disabilities, familial status, households by income and disproportionate housing needs, including overpayment, overcrowding and displacement risk. The element must also address local trends and patterns for integration and segregation, racially and ethnically concentrated areas of poverty and affluence, disparities in access to opportunity and disproportionate housing needs, including displacement risks.

Local Data and Knowledge: The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers.

Sites Inventory: The element must identify and analyze whether sites are located throughout the County to affirmatively further fair housing. The element must also map the identified sites in the inventory on other relevant AFFH maps.

For more information, please refer to HCD's *Affirmatively Furthering Fair Housing: Guidance for All Public Entities and for Housing Elements* technical assistance document, available at https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf.

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).)

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).)

An analysis of any special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; 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 many of the requirements for existing and projected needs, but it must quantify and analyze housing units by type (e.g., single family, multifamily), rental costs, overpayment for all households, farmworkers and senior households by tenure. For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.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).)*

To demonstrate the adequacy of sites and strategies to accommodate the County's RHNA, the element must include complete analyses:

Candidate Sites for Rezoning: The element identifies a shortfall of adequate sites to accommodate the regional housing need for lower-income households. As a result, the element must list and analyze candidate sites to address all components of Government Code section 65583.2.

Realistic Capacity: The element conservatively assumes residential development on sites zoned for non-residential uses but to support this assumption, the element must analyze the likelihood of residential development in zoning intended for non-residential uses. The analysis should be based on factors such as development trends including non-residential, performance standards requiring residential uses or other relevant factors such as enhanced policies and programs.

Replacement Housing Requirements: If the sites inventory identifies sites with existing residential uses, it must identify whether they are affordable to lower-income households or describe whether the additional residential development on the site requires the demolition of the existing residential use. For nonvacant sites with existing, vacated, or demolished residential uses and occupied by, or subject to an affordability requirement for, lower-income households within the last five years, there

must be a replacement housing program for units affordable to lower-income households (Gov. Code, § 65583.2, subd. (g)(3)).

Large Sites: Sites larger than 10 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).). For example, a site with a proposed and approved housing development that contains units affordable to lower-income households would be an appropriate site to accommodate housing for lower-income households. (Gov. Code, § 65583.2, subd. (c)(2)(C).).

Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the County 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#element> for a copy of the form and instructions. The County can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the County must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

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. (Gov. Code, § 65583, subd. (a)(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 Section 65583.2... (Gov. Code, § 65583, subd. (a)(6).)

Fees and Exaction: While the element lists various planning fees, it must specifically analyze the fees for a conditional use permit and include programs to address identified constraints as appropriate.

Parking Requirements: While the element references zoning code, it must list the actual standards and analyze the multifamily parking requirement for its impact as a potential constraint on housing. Should the analysis determine the parking standards or permit procedures are a constraint on residential development, it must include a program to address and remove or modify any identified constraints. For additional

information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/land-use-controls.shtml>.

Constraints on Housing for Persons with Disabilities: The element must include an analysis of zoning, development standards, building codes, and process and permit procedures as potential constraints on housing for persons with disabilities. The analysis must address any zoning code definitions of family and any spacing or concentration requirements for housing for persons with disabilities.

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.

Local Ordinances: The element must describe any local ordinances including inclusionary housing requirements and short-term rental ordinances. It must analyze their impacts as potential constraints on the development of housing for all income levels, specifically on housing supply and affordability.

Requests for Lower Density: The element must include an identification and analysis of requests to develop at densities below the density identified in the site inventory and include programs as appropriate.

B. 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 include definitive implementation timelines and specific action, where appropriate, to have a beneficial impact in the planning period. While many programs include timelines, other programs should be revised with more definitive timelines, most specifically, Programs A7 (Grants for Infill Development) and C3 (Conversion of Older Motels to Affordable Housing). Other programs to be revised include:

Program C7 Information for Displaced Tenants: Connect property owners to potential rehabilitation programs in addition to relocation services.

Program D6 Farmworker Housing: If appropriate, the program should also amend zoning to permit employee housing consistent with Health and Safety Code section 17021.5, which 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.

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 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 the Finding A3, the element does not include a complete sites inventory or analysis; as a result, the adequacy of sites and zoning has not been established. Based on the results of a complete sites inventory and analysis, programs may need to be added, or revised, to address a shortfall of sites.

In addition, the element identifies a shortfall of adequate sites and appropriately includes a program to rezone sites. The program includes several statutory components but should also clarify by-right consistent with Government Code section 65583.2, subdivision (i), and affordability requirements consistent with Government Code section 65583.2, subdivision (h).

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. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in the Finding A4, the element does not include a complete analysis of potential governmental and non-governmental constraints. Based on the results of a complete analysis, programs may need to be added, or revised.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element must include a complete analysis of affirmatively furthering fair housing. Based on the outcome of that analysis, the element must add or modify programs.

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

The element includes programs E1 (Preserve Affordable Housing At-risk of Becoming Market Rate) and E2 (Prevent the Loss of Units in SHRA's Public Housing Stock). These programs generally defer to Sacramento Housing and Redevelopment Agency but should also specifically commit to proper noticing, education, funding or assistance with funding, immediate coordination with qualified entities and other actions as appropriate.

C. Quantified Objectives

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

Include quantified objectives estimating the number of housing units by income category that can be constructed, rehabilitated, and conserved over the planning period. This requirement could be addressed by utilizing a matrix like the one illustrated below:

Income	New Construction	Rehabilitation	Conservation/ Preservation
Extremely Low-			
Very Low-			
Low-			
Moderate-			
Above Moderate-			
TOTAL			

D. Consistency with General Plan

The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)

The element provides analysis related to how the general plan is internally consistent as part of the housing element update but should also demonstrate how internal consistency will be maintained throughout the planning period.

For your information, some General Plan element updates are triggered by housing element adoption. 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.