

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

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February 4, 2022

Charles Kovac, Housing Manager
Economic Development and Housing Division
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Dear Charles Kovac:

RE: City of Huntington Beach's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Huntington Beach's (City) draft housing element received for review on December 7, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from California Consortium of Addiction Programs and Professionals, Kennedy Commission, and Anne Paulson 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 the revisions needed to comply with State Housing Element Law.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. 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), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), then any rezoning to accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

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.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at:

http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and
http://opr.ca.gov/docs/Final_6.26.15.pdf.

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.

HCD appreciates the hard work and dedication of the City's housing element team during the course of our review. We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jose Ayala, of our staff, at Jose.Ayala@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF HUNTINGTON BEACH

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, the element must also 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). 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 and Outreach: The element generically describes past outreach efforts and fair housing services in the preparation of the housing element; however, the element does not address this requirement. The element should describe the actions the Fair Housing Foundation conducts, how often this organization provides outreach to the general public, and any information, data, and findings related to fair housing issues gathered through this consultation.

Segregation and Integration: The element provides relevant data and maps but does not fully analyze the impacts of the data related to fair housing issues. The analysis should seek to draw out fair housing-related conclusions from the data points.

Access to Opportunity: The element provides relevant data but does not fully analyze the impacts of the data related to access to opportunity. Specifically, the analysis should generally discuss and analyze trends related to access to opportunity in the jurisdiction.

Disproportionate Housing Needs Including Displacement: The element provides the data relevant to the factors but does not provide any conclusion from the data. The element should seek to further explain the data points and arrive at a conclusion from the data points related to fair housing. In addition, while the displacement discussion includes a map and some data points, generally, the section requires additional analysis to extract a meaningful conclusion.

Local Data and Knowledge: The element relies on Analysis of Impediments and data but should also include local data and information. This can be information gathered at the local level and can be embedded within the individual sections, or in a standalone section. This information could be gathered through community participation or consultation and can include narrative descriptions of people's lived experiences. Local data typically is more current than federal and state data sets and can capture information that federal/state data might not be able to capture or might capture less accurately at a smaller geography.

Other Relevant Factors: The affirmatively furthering fair housing (AFFH) section is data-heavy and largely does not incorporate other relevant factors, including non-data information pertinent to housing and fair housing issues within the jurisdiction. The element could include this information in a standalone section or embed this information throughout the different analysis categories. This can include, but is not limited to, changes and barriers in zoning and land use rules, information about redlining/greenlining, restrictive covenants and other discriminatory practices, presence and history of place-based investment, and mobility option patterns.

Sites Inventory: While the element provides analysis using income, race, and opportunity areas, the element must analyze the location of sites along a few corridors, and relative absence in areas of higher affluence. Specifically, the element should look to provide analysis regarding whether the placement of sites improve or exacerbate conditions, the isolation of the regional housing needs allocation (RHNA) by income group being concentrated in areas of the community, and sites being distributed throughout the community.

Contributing Factors: The element provides a general list of contributing factors; however, the contributing factors identified are generally not responsive to the analysis presented in the AFFH analysis. The City's composition and location in the region presents unique fair housing challenges largely not captured by the contributing factors. As a result, the City should revise the AFFH section as noted above, re-evaluate contributing factors, and prioritize the contributing factors. As a reminder, the contributing factors should be foundational pieces for the AFFH programs.

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

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

The element includes analysis regarding extremely low-income (ELI) households such as the number of households and overpayment 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 RHNA for very low-income households qualify as ELI households. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

3. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

Housing Conditions: The element identifies the age of the housing stock (pp. 2-37 to 38). However, it must include an analysis of the condition of the existing housing stock and estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including nonprofit housing developers or organizations. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

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 element indicates (p. B-3) that 282 units affordable to low-income households and 5 units affordable to moderate-income households have been built or are under construction or approved but provides no

information documenting how the affordability of the units was determined. As you know, the City's RHNA may be reduced by the number of new units built since June 30, 2021; however, the element must describe the City's methodology for assigning these units to the various income groups based on actual sales price or rent level of the units and demonstrate their availability in the planning period.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Realistic Capacity: While the element provides (p. B-9) assumptions of buildout for sites included in the inventory, it must also provide support for these assumptions. For example, the element should demonstrate what specific trends, factors, and other evidence led to the assumptions. Currently, the City assumes 80 percent build-out of identified sites based on information from past redevelopment of sites but does not relate any specific findings from past projects to sites identified in the inventory. The estimate of the number of units for each site must be adjusted as necessary, based on the land use controls and site improvements, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

Additionally, the element must demonstrate the realistic capacity for residential development in the SP – 14 Affordable Housing Overlay, and the Affordable Housing Overlay (p. B-8). Specifically, the element must describe the relationship between these overlays and the existing zoning and the general plan. The element should clarify compatibility with the existing zoning and general plan designations or discuss whether these overlays will replace the zoning and/or the general plan designations. The capacity analysis should also account for the likelihood of development using the underlying zoning rather than the overlay and may result in capacity assumptions.

Small and Large Sites: Sites larger than ten acres in size or smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. If sites are expected to be consolidated, the element must provide specific examples of lot consolidation with the densities, affordability and, if applicable, circumstances leading to consolidation. The element should relate these examples to the sites identified to accommodate the RHNA for lower-income households to demonstrate that these sites can adequately accommodate the City's lower-income housing need. Alternatively, the element can show the consolidation of small sites to a site larger than a half-acre. Based on a complete analysis, the City should consider adding or revising programs to include incentives for facilitating development on small sites.

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. To address this requirement, the element provides a general description of the sites and existing uses identified in the inventory but does not relate this information to the potential for redevelopment. The element must analyze the extent that existing uses may impede additional residential development. For example, the element includes sites identified as commercial, hotel and motel, and industrial, 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. As noted below, the analysis must be sufficient to show that the existing uses on the lot will discontinue during the planning period.

In addition, as 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).).

Accessory Dwelling Units (ADU): The element projects 769 ADUs over the planning period. The element also notes the City expects a 25 percent increase year-over-year in ADU permitting in the City. However, this information is not sufficient to justify the ADU assumptions for the planning period. The element states that 13 ADUs were permitted in 2018, 28 in 2019, 31 in 2020 for an average of 24 units and do not support an assumption of 96 ADUs per year. To support assumptions for ADUs in the planning period, the element must reduce the number of ADUs assumed per year, including additional information such as more recent permitted units and inquiries, commit to additional resources and incentives, other relevant factors and modify policies and programs as appropriate.

Hotel and Motel Conversion: The element identifies (p. B-16) eight hotels and motels as candidates for redevelopment during the planning period to accommodate 349 units of the lower-income RHNA using the Homekey Program. While the Department encourages a variety of strategies to meet the RHNA, absent additional information regarding these sites' potential conversion to housing, this cannot be accepted as a strategy to meet the RHNA. First, the element's program section does not commit the City to proactively seek Project Homekey funding. The program commitment from the City is vital to the ability to convert the hotel and motels into housing units. Second, it is unclear whether the City is relying on how many of the 8 properties are expected to be converted within the planning period. While it is possible that the City could receive

funding under the Homekey program, given limited funding it is unlikely the City would receive sufficient funding to convert all eight projects during the planning period. Lastly, the element should provide more analysis regarding the viability for these sites to redevelop, including owner interest, market conditions, and other factors that show the potential for redevelopment.

Environmental Constraints: The element generally describes environmental conditions but it should relate these conditions to identified sites. The analysis should specifically address whether environmental or any other conditions impact or preclude the development of identified sites and discuss where and how mitigation is possible. For example, the element notes (beginning on p. B-18) a number of land uses with hazardous materials and lists several sites with industrial uses. In this case, the element should address whether hazardous materials preclude development on identified sites in the planning period.

Sites with Zoning for a Variety of Housing Types:

- *Emergency Shelters:* While the element lists the zones in which emergency shelters are permitted, it should also list the applicable development standards and analyze those standards as potential constraints on the development of emergency shelters, including compliance with statutory requirements. In addition, the element states emergency shelters are permitted by-right but it should also clarify the use is permitted without discretionary action or include programs if necessary.
 - *Accessory Dwelling Units:* The element notes the zones that ADUs are permitted in but must also include the CV zone to permit ADUs. The element must add or modify a program to incorporate this zoning change.
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 is proposing to rezone sites under the existing SP 14–Affordable Housing Overlay and create a new Affordable Housing Overlay (HO70) and a Holly Seacliff RH Overlay designation, but should describe and evaluate the development standards for these overlays relative to achieving maximum densities. In addition, the element relies on sites in a number of specific plans including the Beach and Edinger Corridor Specific Plan (BECSP) but must describe and evaluate the development standards allowed in these specific plans or how the overlays will interact with the underlying development standards. In particular, pursuant to the previous 5th cycle housing element, the BECSP has a Maximum Amount of Net New Development (MAND) which is not described or analyzed in the 6th cycle housing

element relative to achieving the development potential identified in the sites inventory for all income levels of the RHNA.

Additionally, the analysis must also evaluate the cumulative impacts of land use controls on the cost and supply of housing, including the ability to achieve maximum densities and cost and supply of housing. For example, the element should analyze the RH zone's 35-foot height limit and lot coverage requirements relative to the 35 dwelling unit per acre density and describe the likelihood a project could be built in this zone to maximum density without exception. For example, the element could describe a sample project and determine the feasibility of a project being built at maximum density.

The element must also analyze the impact of the enclosed parking space requirement for multifamily developments and the .5 guest parking space per unit requirement as potential constraints. For example, the City could contact local developers to gauge input on this requirement as a potential constraint.

Local Processing and Permit Procedures: The element describes the Conditional Use Permit (CUP) requirement for multifamily development of five or more units. However, the element does not provide any analysis regarding approval findings for the CUP process, analyze the CUP process as a constraint, or provide any data regarding the typical approval process for multifamily developments. The element should analyze the CUP process for impacts on timing, cost, supply and approval certainty and include programs to address identified constraints.

Constraints on Housing for Persons with Disabilities:

- *Reasonable Accommodation:* The element lists approval findings for the reasonable accommodation process, but it should analyze the process for potential constraints on housing for persons with disabilities. The analysis should address application submittal requirement, approval body, approval findings, fees, timing, and any other relevant factors and add or modify programs to address identified constraints.
- *Group Homes for Seven or More Persons:* The City's zoning code appears to isolate and regulate various types of housing for persons with disabilities based on the number of people and other factors. Examples include small group homes, large group homes, small residential care facility and large residential care facility. The element should analyze this regulatory framework for potential constraints on housing for persons with disabilities as zoning should simply implement a barrier-free definition of family instead of subjecting, potentially persons with disabilities, to special regulations such as the number of persons, population types and licenses. For example, the analysis should address licensing requirements, exclusion of larger group homes (seven or more persons) from several residential zones, particularly lesser density, and permit procedures such as conditional use permits.

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. 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).)

Approval Time and Requests for Lesser Densities: The element must include analysis of requests to develop housing at densities below those identified in the sites inventory and the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially. The element must address any hindrance on the development of housing to accommodate the RHNA and include programs as appropriate.

7. *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).)*

Persons with Developmental Disabilities: While the element quantifies the number of individuals that received services from the Regional Center of Orange County, the element must provide a jurisdiction-specific number for persons with developmental disabilities. The element should use information from the Department of Developmental Services to get an accurate count of the number of persons with developmental disabilities living in Huntington Beach. The Department will send additional information under separate cover.

8. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 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).)*

The element includes information regarding projects that are at-risk of converting to non-low income uses (p. 2-83/84). All projects listed on Table 3-31 have covenants expiring during the planning period. However, no analysis or additional information is provided regarding the assessment of risk of these projects. Specifically, the element should provide information regarding any conversations with property owners to maintain the affordable nature of these sites. Moreover, Program 1D (Preservation of Assisted Rental Housing) is generally not responsive to the immediate needs to maintain affordability on these projects. Program 1D should be modified to include specific actions that go beyond monitoring affordability and commit to City actions, and a discrete timeline of these actions, that will extend the affordability timeframe on these

projects.

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).)*

To have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines, including for Program 1D (Preservation of Assisted Rental Housing), Program 2A (Adequate Sites), Program 2B (Establish Affordable Housing Overlay Zone), Program 4B (Development Fee Assistance), and Program 5B (Housing Opportunities for Persons Living with Developmental Disabilities).

Additionally, all programs should be evaluated to ensure meaningful and specific actions, objectives, and commitments. Programs containing unclear language (e.g., “evaluate”; “can offer”; “recommend”; etc.) should be amended to include more specific and measurable actions. These programs include Program 1D (Preservation of Assisted Rental Housing), Program 3B (Affordable Housing Development Assistance), Program 4B (Development Fee Assistance), Program 4C (Residential Processing Procedures), and Program 5B (Housing Opportunities for Persons Living with Developmental Disabilities).

Programs must provide a quantifiable objective, where possible, to assist in tracking the implementation and success of a program. Generally, the programs listed in the element do not have a quantifiable outcome. For example, a quantifiable outcome can be, but is not limited to, an increase of units, decrease of processing time, or decrease in the amount of fees.

Lastly, the element must add programs to address nongovernmental constraints, regulatory concessions and incentives, and a program to assist in the development of housing for special needs groups.

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 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 2A (Adequate Sites) and Program 2B (Establish Affordable Housing Overlay Zone):* In addition to meeting requirements pursuant to Government Code section 65583.2, subdivision (h), the Program must also commit to permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower income households in the Affordable Housing Overlay District. In addition, the Program should identify the shortfall, minimum acreage to be rezoned, allowable densities, anticipated development standards or ensuring development standards will facilitate achieving maximum allowable densities, reference to candidate sites to be rezoned, and a date of completion of 1 year from October 15, 2021(See cover letter).
- *Program 2B (Establish Affordable Housing Overlay Zone):* The Program should be amended to a date of 1 year from October 15, 2021.
- *Replacement Housing Requirements:* The housing element must include a program to provide replacement housing. (Gov. Code, § 65583.2, subd. (g)(3).) The replacement housing program must adhere to the same requirements as set forth in Government Code section 65915, subdivision (c), paragraph (3).

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 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.

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 B1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis.

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).)*

As noted in Finding B8, the element must include a complete analysis of units at-risk of converting during the planning period. The element must be revised to add goals and actions based on the outcomes of a complete analysis.

6. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units 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 includes Program 2C (Accessory Dwelling Units) and provides a general description of the program. However, the program does not meet statutory requirements. Program 2C must commit to specific actions to incentivize the creation of ADUs that can be offered at affordable rent. Currently, the program does not include any such incentives. These actions are particularly important if the City’s assumptions exceed recent trends.

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 income category that can be constructed, rehabilitated, and conserved over the planning period. While the element includes these objectives by income group for very low-, low-, moderate- and above-moderate income, the element must also include objectives for extremely low-income households.

E. Coastal Zone

Coastal localities shall document the number of low- and moderate-income units converted or demolished, and the number of replacement units provided. (Gov. Code, § 65588, subd. (d).)

The element does not meet the statutory requirements. To determine whether the City's affordable housing stock in the coastal zone is being protected and provided as required by Gov. Code section 65588, the element must be revised to include the following:

1. The number of new housing units approved for construction within the coastal zone since January 1982.
2. The number of housing units for persons and families of low- and moderate-income required to be provided in new housing developments either within the coastal zone or within three miles.
3. The number of existing residential dwelling units occupied by low- and moderate-income households either within the coastal zone or three miles of the coastal zone that have been authorized to be demolished or converted since January 1982.
4. The number of residential dwelling units for low- and moderate-income households that have been required for replacement.