

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

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September 29, 2023

John Jansons, City Manager
City of Kerman
850 S Madera Ave.
Kerman, CA 93630

Dear John Jansons:

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

Thank you for submitting the City of Kerman's revised draft housing element received for review on July 5, 2023, along with revisions received on September 29, 2023. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The revised draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Gov. Code, § 65580 et seq). The enclosed Appendix describes revisions needed to comply with State Housing Element Law.

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

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 (December 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section

65585, subdivision (i). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the hard work and dedication demonstrated by the City and housing element update team during the review and update of the housing element. 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 Brandon Yung, of our staff, at brandon.yung@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF KERMAN

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

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

A. Review and Revision

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

A thorough program-by-program review is necessary to evaluate the City's performance in addressing housing goals. This information and analysis provide the basis for developing a more effective housing program. Specifically, the element should be revised as follows:

Program 3 (Rezone and Provision of Adequate Sites): This Program was critical to accommodating the previously unaccommodated need from the City's 4th cycle housing element, accomplished during the 5th cycle (p. 175). The current element should fully report the results of previous implementation efforts, including whether the rezoning met all by right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i).

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).)*

Disproportionate Housing Needs, Including Displacement Risk: The element includes some general information on persons experiencing homelessness but should also evaluate that information. Specifically, the element should examine patterns of need or areas with higher concentrations of persons experiencing homelessness, including access to transportation and services. The element should utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.

In addition, to better evaluate displacement risks, the element could utilize new data available for displacement risk on HCD's Affirmatively Furthering Fair Housing (AFFH) Data Viewer available at <https://www.hcd.ca.gov/planning-and-community-development/affirmatively-furthering-fair-housing>.

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

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).)

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).)

Housing Needs and Special Needs Assessment: The element includes a quantification of housing needs, including special needs for the region and some reporting of demographics for the City. While this quantification is generally adequate, the element should analyze the quantification to better understand housing needs and formulate appropriate policies and programs for the City. For example, this analysis should address trends, characteristics, magnitude of needs, resources and potential strategies and should at least be conducted for population growth, employment, tenure, overpayment, overcrowding, housing unit types, and special needs households.

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).)*

Progress in Meeting the Regional Housing Needs Allocation (RHNA): The element indicates (p. 65) that two sites being used toward the RHNA do not currently have entitlements. As a result, the sites do not meet the criteria to reduce the RHNA for the planning period and must be included as potential sites in the inventory. For additional information, please refer to the footnote on page 5 and page 36 of the Sites Inventory Memo: https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf.

Realistic Capacity: The element must estimate the number of units for each site and account for land use controls and site improvements and typical densities of existing or

approved residential developments at a similar affordability level. To address this requirement, the element lists some recent multifamily developments in the City and selects a small number of projects from different parts of the County. Additionally, to account for a lack of mixed-use developments, the element assumes a 50 percent capacity on sites in commercial or mixed-use zones that allow residential uses, many of which compromise a large share of the sites being credited to accommodate the need for lower-income households. However, the element should better reflect local conditions and utilize local data or comparable areas in western portions of the County or adjacent counties. The element should disclose whether residential uses have been successfully built within nonresidential zones and account for the likelihood of development, particularly in the GC zoning designation. Depending on the outcome of that analysis, the element should consider additional program commitments or enhancement factors to reinforce production assumptions on nonresidential zoned sites.

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).)*

Land Use Controls: The element must identify and analyze all relevant land use controls' impacts as potential constraints on a variety of housing types. The element should analyze the floor area ratios (FAR) in the GC zoning and land use element designations, particularly whether the current FAR standard of 0.3 constitutes a constraint for assumed capacities in the sites inventory, as well as impacts on larger unit types, cost, supply, housing choice, and affordability. Depending on the results of that analysis, the element may need to add or modify existing programs to mitigate and/or remove potential constraints.

C. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding 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.

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

The element should add or modify actions to assist in the development of housing and shelter, as follows:

- *Program 7 (Affordable Housing Incentives):* While the Program describes actions to facilitate the development of affordable housing, it should also clarify that development opportunities will be identified at least on an annual basis.
 - *Program 8 (Support Funding for Farmworker Housing):* The Program should expand upon actions, such as adding additional proactive actions (e.g., identifying development opportunities at least twice in the planning period) to support the development of housing for farmworkers.
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 Finding B4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, the element requires a complete AFFH analysis. Depending upon the results of that analysis, the City may need to revise or add programs. In addition, 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 or numeric targets, geographic targeting, and milestones and must address, as appropriate, housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies toward community revitalization, and displacement protection. For example, the element should expand place-based strategies toward community revitalization beyond implementing general plan policies. HCD will send examples under a separate cover.

D. Public Participation

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

While the element provides a general overview of the public participation process, the element must also provide a discussion on how comments from public outreach were considered and incorporated into the housing element. For example, while the element briefly summarizes the feedback received, it should also describe the actions incorporated into the housing element resulting from the feedback.