

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

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October 5, 2021

Marti Brown, Interim City Manager  
City of Willows  
201 N Lassen Street  
Willows, CA 95988

Dear Marti Brown:

**RE: City of Willows' 6<sup>th</sup> Cycle (2021-2029) Draft Housing Element**

Thank you for submitting the City of Willows' (City) draft housing element received for review on August 6, 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 20, 2021 with you; Karen Mantele, planning consultant; and consultants Sherry Morgado and James Coles.

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.

The City's statutory deadline to adopt a housing element is November 30, 2021. 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 this statutory deadline, then any rezoning to accommodate the regional housing needs allocation, 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).

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](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and  
[http://opr.ca.gov/docs/Final\\_6.26.15.pdf](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.

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

HCD appreciates your hard work and dedication, as well as Karen Mantele's, provided during 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 Hillary Prasad, of our staff, at [Hillary.Prasad@hcd.ca.gov](mailto:Hillary.Prasad@hcd.ca.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall  
Senior Program Manager

Enclosure

## APPENDIX CITY OF WILLOWS

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 review of programs in the past cycle, the element must provide an evaluation 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).)*

Access to Opportunity: The element must include a regional comparison to the overall access to opportunity in the City. In addition, the element should address disparities in access to opportunity related to education, transportation, and environmental quality. This analysis should also address the apparent concentration of affordable housing in the City. Please refer to page 35 of the AFFH guidebook (link: <https://www.hcd.ca.gov/community-development/affh/index.shtml#guidance>) for specific factors that should be considered when analyzing access to opportunities as it pertains to educational, employment, environmental, transportation, and any factors that are unique to Willows.

Disproportionate Housing Needs Including Displacement Risks: The element includes some local and county data on tenure by race and ethnicity and housing problems, but it must also specifically address patterns and trends related to cost burdened households (overpayment) and overcrowding. In addition, related to displacement risk, the element discusses the ability to pay for homeownership related to recent disasters and over-arching trends, but it should also include similar discussions on rents trends and displacement impacts.

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 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. For example, several actions under Goal FH-1 (Improve Fair Housing Choice and Equitable Access to Opportunity) must still provide specific commitment and milestones, metrics or should include additional action or metrics to have a meaningful impact and AFFH.

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 (ELI) 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).)*

Extremely Low-Income (ELI) Households: The element includes some basic information regarding ELI households such as the number of households and projected housing needs. However, given the unique and disproportionate needs of ELI households, the element must include analysis to better formulate policies and programs. For example, the element should analyze tenure, cost burden, overcrowding and other household characteristics then examine the availability of resources to determine gaps in housing needs. 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>.

Overpayment: While the element identifies the total number of overpaying households, it must quantify and analyze the number of lower-income homeowners overpaying.

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).)*

Sites Inventory: The element must clarify whether the sites listed in the inventory are maximum allowable capacity, or the realistic capacity that can be accommodated for each site. In addition, the inventory must identify sites that were listed in the 4<sup>th</sup> or 5<sup>th</sup> planning period. If a vacant site was previously listed in two or more consecutive planning periods, the sites are inadequate to accommodate housing for lower-income households unless:

- the site's current zoning is appropriate for the development of housing affordable to lower-income households by either including analysis or meeting the appropriate density; and
- the site is subject to a housing element program that requires rezoning within three years of the beginning of the planning period to allow residential use by-right for housing developments in which at least 20 percent of the units are affordable to lower-income households. (Gov. Code, § 65583.2, subd. (c).)

Sites with Zoning for a Variety of Housing Types:

- *Emergency Shelters*: The element must describe the characteristics and suitability of the zone(s) for emergency shelters as well as the capacity to meet the need for emergency shelters. The element must also identify any spacing and other requirements to develop an emergency shelter and address the parking requirements to adhere to AB 139. The element must demonstrate consistency with these statutory requirements and include a program, as appropriate.
  - *Transitional and Supportive Housing*: Transitional and supportive housing must be permitted as a residential use in all zones and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. The element must demonstrate consistency with these statutory requirements and include a program, as appropriate.
  - *Supportive Housing*: The element should describe the City's procedure for complying with Government Code section 65651, subdivision. Section 65651 requires jurisdictions to allow supportive housing by right in zones allowing multifamily housing, including mixed-use and nonresidential zones when the development meets certain requirements.
  - *Housing for Farmworkers*: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs as appropriate. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. For additional information and sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/farmworkers.shtml>.
  - *Manufactured Housing*: The element must describe whether manufactured homes on a permanent foundation are allowed in the same manner as single-family homes pursuant to Government Code section 65852.3.
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 clarify whether the R-3 zone allows three stories without a conditional use permit (p. 122) and how that interacts with the height restriction of 30 feet for that zone (p. 123). The element should include programs as appropriate based on the outcomes of the analysis.

Local Processing and Permit Procedures: The element must describe what uses are permitted in each zone as well as the average time to process a permit. For example, the analysis should consider processing and approval procedures and time for typical single- and multifamily 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 findings and approval process, including the two design overlays noted in Program HD-1.3.1 (Historic Downtown and Wood Street).

On/Off-Site Improvements: The element must identify subdivision level improvement requirements, such as minimum street widths and circulation improvements, and analyze their impact as potential constraints on housing supply and affordability.

Constraints on Housing for Persons with Disabilities: The element must describe and analyze the reasonable accommodation procedure, including findings of approval and any definition of family applied in zoning and land use. In addition, the element should describe and evaluate zoning and permit procedures for group homes (six or fewer and seven or more persons) and include programs as appropriate.

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).)*

Developed Densities and Permit Times: The element must analyze 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. The analysis should address any potential hinderances on the construction of a locality's share of the regional housing need.

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).)*

Large Households: Large households are defined as five or more persons living in one unit. The element must quantify and analyze the housing needs of large households including tenure (renters and owners) and the availability of units with three or more bedrooms to accommodate the need.

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).)*

HCD's data shows that the property Eskaton Kennedy Manor is at risk of expiring in 2028. As a result, the element must include an analysis, as follows:

- 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; and
- 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>.

## **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 and specific commitment as follows:

- Program HD-1-4-1: The element must include proactive outreach to developers as well as how often the City will apply for funding.
- Program HD-1.4.5: The element must include how often the City will apply for funding.



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 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.

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(s) 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. In addition:

- Program RC-1.1.1: The element must clarify if the fees will be revised if found to be a constraint on housing development.
- Program RC-1.2.1: The element should clarify new design review guidelines will promote approval certainty and objectivity.

4. *Promote AFFH 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 assessment of fair housing. Based on the outcomes 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).)*

Program MI-1.2.1 (At-risk Preservation): In addition to developing a plan and initiating discussion, the program should make specific commitment to comply with noticing requirements within 3 years, 12 months, and 6 months of the affordability expiration date (Gov. Code, § 65863.10, 65863.11 and 65863.13), coordinate with qualified entities, assist with funding or support funding applications and provide education and support for tenants.

#### **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).)*

While the element includes quantified objectives by income group for very low-, low-, moderate- and above-moderate income, the element must also include objectives for ELI households and units to be 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).)*

In addition, the element does not clearly describe when the element was made available for public comment. For your information, by not providing an opportunity for the public to review and comment on a draft of the element sufficiently in advance of submission, the City will not have yet made a diligent effort to encourage the public participation in the development of the element and the lack of availability reduces HCD's consideration of public comments in its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including revisions to the document where appropriate. HCD's future review will consider the extent to which the revised element documents how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.