

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

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December 10, 2021

Meredith Elguira, Director
Community Development Department
City of South Gate
8650 California Avenue
South Gate, CA 90280

Dear Meredith Elguira:

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

Thank you for submitting the City of South Gate's (City) draft housing element received for review on October 13, 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 conversation on December 7, 2021 with you; Yalini Silva, Senior Planner; and your consultant, Veronica Tam.

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.

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.

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.

HCD appreciates the diligent efforts and cooperation of you and the housing element update team during the 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 Shawn Danino, of our staff, at shawn.danino@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 SOUTH GATE

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. 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).)*

Outreach: Outreach specifically related to affirmatively furthering fair housing (AFFH) is foundational to a complete analysis and formulating appropriate goals and actions to overcome patterns of segregation and foster more inclusive communities. The element should summarize outreach efforts and relate this input to all components of the AFFH analysis and modify or add goals and actions as appropriate. Further, the element mentions the analysis of impediments to fair housing choice (AI) which includes a discussion of outreach related to fair housing enforcement but could also utilize as portions of this outreach relative to fair housing issues and formulate appropriate programmatic response.

Enforcement: The element summarizes various laws and court rulings, but it should also discuss the City's compliance with existing fair housing laws as well as any past or current fair housing lawsuits, findings, settlements, judgements, or complaints.

Identified Sites and AFFH: The element provides information regarding the proportion of sites by income group according to various concentrations of socio-economic characteristics. In addition, the element should address the number of units by income group, magnitude of impact on local patterns, any isolation of the RHNA by income group and address the placement of the sites such as concentrations of sites in key areas and corridors.

Contributing Factors: The element should re-assess and, particularly, prioritize contributing factors upon completion of an analysis and make revisions as appropriate.

Goals, Priorities, Metrics, and Milestones: While the element includes some information on priorities and goals, the element must be revised to include goals and

actions that specifically respond to the analysis and identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have metrics and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

2. *Include an analysis 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).)*

Extremely Low-income (ELI) Households: 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/housingneeds/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).)*

Rental Prices: The element provides some figures for median rental prices from American Community Survey data from 2014-2018 (p. 28), including a median rent of \$958 per month for a 1-bedroom apartment. However, upon a cursory search of several online rental listing websites, median rents in the City for 1-bedroom apartments were approximately \$1,916 – more than double the figure listed. The element should be updated and use a more current estimate to reflect market conditions.

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).)*

Parcel Listing: For parcels outside Specific Plan areas (Table C-2), the inventory lists parcels by various factors such as zoning, size and capacity but must also list sites by general plan designation.

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. This is especially important for determining sites that have been utilized in multiple planning periods and are subject to by-right provisions. 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.

City-Owned Sites: The element must include additional discussion of the City-Owned sites identified to accommodate the RHNA. Specifically, the analysis should address general plan designations, allowable densities, support for residential capacity assumptions, existing uses and any known conditions that preclude development in the planning period and the potential schedule for development. If zoning does not currently allow residential uses at appropriate densities, then the element must include programs to rezone sites pursuant to Government Code section 65583.2, subdivisions (h) and (i). In addition, the housing element must include a description of whether there are any plans to sell the property during the planning period and how the jurisdiction will comply with the Surplus Land Act Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.

Suitability of Nonvacant Sites: The element identifies nonvacant sites based on various factors such as the age of the structure, existing floor area ratio, improvement to land ratio and net increase. However, to demonstrate the extent existing uses impede additional development, the element should support the viability of these factors and discuss past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, and regulatory or other incentives or standards to encourage additional residential development on these sites

In addition, because the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, it must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Small and Large Sites: Sites smaller than half an acre or greater than ten acres are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites of equivalent size with affordability were successfully developed during the prior planning period or other evidence that demonstrates the suitability of these sites. The element currently discuss how development might occur on larger sites and identifies smaller sites, but it must still provide analysis of past trends or present other evidence to demonstrate the suitability of these sites. For example, the analysis could describe the City's role or track record in facilitating past lot consolidation, common ownership, policies, or incentives offered or proposed to encourage and facilitate lot consolidation or other conditions rendering parcels suitable and ready-for-lot consolidation.

Motel/Hotel Sites: While the element lists various motel/hotel sites that could be converted to residential use, it must support the assumption of 400 units in the planning period. For example, the City may utilize a methodology similar to accessory dwelling units based on past permitted units, affordability and other relevant factors.

Environmental Constraints: While the element generally describes a few environmental conditions within the City, it must relate those conditions to identified sites and describe any other known environmental or other conditions that could impact housing development on identified sites in the planning period.

Infrastructure: The element includes some discussion on water and sewer providers in the City. However, it must also clarify whether sufficient total water and sewer capacity (existing and planned) can accommodate the regional housing need and include programs if necessary.

In addition, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. (Gov. Code, § 65589.7.) Local governments are required to immediately deliver the housing element to water and sewer service providers. The element should discuss compliance with these requirements and if necessary, add or modify programs to establish a written procedure by a date early in the planning period.

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element indicates that emergency shelters are permitted in the Light Industrial Overlay zone (p. 61). However, the element should also clarify whether shelters are permitted without discretionary action, discuss typical parcel sizes and acreages, proximity to transportation and services and any conditions inappropriate for human habitability. In addition, the element should list and evaluate any development standards for compliance with statutory requirements and add or modify programs as appropriate.
- *Single Room Occupancy (SRO) Units:* While the element outlines some of the minimum requirements for permitting SROs, the element should fully describe the minimum development standards and analyze these requirements as a possible constraint, including, but not limited to, leasing requirements, parking requirements and impact fees, and permitted uses. The element must include programs as appropriate based on the outcomes of the analysis.

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 must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobilehomes, SROs, transitional housing). While the element does provide some information on residential development standards, (pp. 53 to 57), it does not provide analysis on these factors as a possible constraint. For example, the element should analyze the open space, minimum lot size and parking requirements. 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. The element should have specific programs for addressing identified constraints.

Local Processing and Permit Procedures: While the element includes information about processing times and procedures, it should evaluate the process for typical multifamily and mixed-use development. For example, the element notes most development is approved by the Planning Commission. Later (p. 70), the element states most development is administratively approved. For typical developments consistent with zoning and the general plan, the element should clearly describe approval body, typical number of hearings and approval findings for impacts on housing supply, cost, timing and approval certainty.

Streamlining Provisions: The element should clarify whether the City has procedures consistent with streamlining procedures pursuant to Government Code section 65913.4 and include programs as appropriate.

On/Off-Site Improvements: The element describes several types of on- and off-site improvements that may be required to approve housing development (p. 65) including pavement, curbs, gutters, sidewalks, drainage facilities. The element should also analyze their impact as potential constraints on housing supply and cost.

Constraints on Housing for Persons with Disabilities: The element identifies approval findings for granting a reasonable accommodation including finding related to impacts on surrounding uses – essentially a conditional use permit finding. However, reasonable accommodation should be a unique exception process from a conditional use permit, especially given its importance in addressing barriers to housing for persons with disabilities. The element should include a program to amend the Reasonable Accommodation Ordinance and remove constraints, namely the “potential impact on surrounding uses” approval finding. In addition, the element indicates residential care facilities for seven or more persons are excluded from several zones that allow residential uses and subjects the use to a conditional use permit (CUP) process. The element should analyze these requirements as potential barriers to housing for persons with disabilities and include programs to address these constraints including amending zoning to permit the use in residential zones and address and remove, replace or mitigate the CUP requirement.

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).)*

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 hinderances on the construction of a locality's share of the regional housing need and include programs if necessary.

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).)*

To have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines (e.g., annually, year). Programs to be revised include Programs 8 (Affordable Housing Development), 13 (Acquisition/Rehabilitation of Rental Housing) and 16 (Hotel/Motel Conversion).

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 A4, 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 include specific commitment to a schedule of actions to encourage development on City-owned sites. Actions include establishing appropriate zoning and development standards, additional incentives, schedule for development, significant outreach with developers of affordability housing, reducing fees, expediting permit processing and seeking financing or supporting applications for funding.

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 A5 and A6, the element requires a complete analysis of potential governmental and non-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 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 outcomes of that analysis, the element must add or modify programs as appropriate. Actions must have metrics and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

C. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd. (c)(8).)

While the element includes a list of public meetings and stakeholders, it should describe comments from these meetings and how comments were considered and incorporated into the element. Additionally, moving forward, the City should employ additional methods for public outreach efforts in the future, particularly to include lower-income and special needs households and neighborhoods with higher concentrations of lower-income households. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income households in future public outreach efforts. Please note, 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 revising the document where appropriate.