

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



November 24, 2021

Gabriel Perez, Assistant Director
Development Services Department
City of Coachella
53990 Enterprise Way
Coachella, CA 92236

Dear Gabriel Perez:

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

Thank you for submitting the City of Coachella's (City) draft housing element received for review on September 28, 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 November 23, 2021 with you and your consultant Kathryn Slama from Lisa Wise Consulting.

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.

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 is 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 Molivann Phlong, of our staff, at molivann.phlong@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 COACHELLA

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).)

The element must provide a cumulative evaluation of the effectiveness of past 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 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).)*

The element did not address this requirement. Please note, the element, among other things, must include outreach, an assessment of fair housing, identification and prioritization of contributing factors to fair housing issues and goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity. For more information, please contact HCD and visit <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

2. *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 Stock Condition: While the element included a discussion about factors that contribute to substandard housing conditions, it must quantify and analyze the number of units in need of major rehabilitation or 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 non-profit 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>.

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).)*

The City has a regional housing need allocation (RHNA) of 7,886 housing units, of which 2,032 are for lower-income households. To address this need, the element relies on vacant sites, entitled projects, and a comprehensive zoning code update to implement general plan designations. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses.

Unaccommodated Need from the 5th Cycle Planning Period: The City had a shortfall of 2,524 units to accommodate its lower-income RHNA from the previous planning period. The element states that the City completed part of the rezoning for 1,314 units in June 2021 (p. B-3). The City has also confirmed that the remaining shortfall of 1,228 units was completed on October 27, 2021.

While sites were rezoned pursuant to Program 1.3, the element must also demonstrate the sites comply with the requirements of Government Code section 65583.2, subdivisions (h) and (i). For example, while the element indicates the residential capacity of the rezoned sites, it must also demonstrate the rezoned sites have a site capacity of at least 16 units, permit rental and owner multifamily development without discretionary review at minimum densities of at least 16 or 20 dwelling units per acre, and that at least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for exclusive residential uses or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.

The element must also demonstrate the sites were rezoned during the prior planning period which ended October 15, 2021. (Gov. Code, §§ 65585 and 65588.) If the element does not demonstrate compliance with the statutory requirements, it must include analysis and programs to accommodate the unaccommodated need from the prior planning period. For additional information, go to <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Realistic Capacity: The element is assuming 50 percent of maximum density on sites zoned for non-residential uses (e.g., mixed use). To demonstrate realistic capacity on these sites, the element must account for the likelihood of residential development in the zones that allow 100 percent nonresidential uses. The analysis should be based on

factors such as development trends, performance standards, likelihood of nonresidential projects, or other relevant factors.

General Plan Designations and Zoning Implementation: HCD understands that while the general plan designations for sites within the general neighborhood, urban neighborhood, neighborhood center, downtown center, and urban employment land use designations are in place, the zoning has not been implemented to approve projects at the densities and uses as identified in the inventory. For your information, if zoning is not in place by beginning of the planning period (October 15, 2021), the element must include a program to commit to adopting the zoning changes. Additionally, for sites that are expected to accommodate the City's lower-income RHNA, programs must commit to housing element rezone requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i).

Water and Sewer Priority: For your information, 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 must demonstrate compliance with these requirements or add or modify programs as appropriate. For additional information and sample cover memo, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/priority-for-water-sewer.shtml>.

Access to Infrastructure: While the element generally describes water and sewer capacity, it must clarify sufficient capacity to accommodate the RHNA and whether all identified sites have existing or planned access to sufficient water and sewer.

Sites Inventory Electronic Form: The element lists (p. B-13) sites and parcels. Please note, pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element identifies the M-S zone for emergency shelters. The element must clarify whether the M-S zone or any zone in the city permits emergency shelters without any discretionary action. (Gov. Code, § 65583, subd. (a)(4).) The element must also analyze the suitability and capacity of the M-S zone to meet the need for emergency shelters. For example, the element should identify the number of parcels, typical parcel sizes, available acreage, whether sites are underutilized, and any potential for reusing existing buildings to emergency

shelters. The element should also discuss proximity to transit and services and any known hazardous conditions unfit for human habitation.

In addition, the element must demonstrate that permit processes, development, and management standards are objective, subject to the same standards as other uses in the M-S zone, and in accordance with Government Code section 65583, subdivision (a)(4). For example, the element states emergency shelters are required to be a minimum of 300 ft. apart from each other; however, state law only allows a maximum of 300 ft separation requirement. Lastly, the element should discuss if the City complies with AB 139 (Statutes of 2019) related to parking requirements and quantification of the emergency shelter need. The element should describe compliance with these requirements or include programs as appropriate.

- *Accessory Dwelling Units (ADU)*: The element provides (p. 17) for enumerated land use categories allowing ADUs. Please note that ADUs are allowed in all zones that allow residential use. (Gov. Code § 65852.2(a)(1)). In addition, after a cursory review of the City's ordinance, HCD discovered several areas which were not consistent with State ADU Law. This includes, but is not limited to, allowable number of units, owner occupancy requirements, bedroom limits and limiting unit size requirements. HCD will provide a complete listing of ADU non-compliance issues under a separate cover. As a result, the element should implement Program 5.5 to update the City's ADU standards to comply with state law. For more information, please consult HCD's ADU Guidebook, published in December 2020, which provides detailed information on new state ADU requirements <https://www.hcd.ca.gov/policy-research/accessorydwellingunits.shtml>.
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).)*

Processing and Permit Procedures: While the element included some information on permit procedures, it should also describe the procedures for a typical single family and multifamily development. The analysis should address the approval body, the number of public hearings, if any, approval findings, and any other relevant information. Additionally, the element should provide a specific analysis for the conditional use permit findings and the approval findings for the City's architectural review. The analysis should address impacts on housing cost, supply, timing, and approval certainty.

Design Review: The element describes permits, procedures, and architecture review. Please note, the element must indicate whether the City utilizes design review guidelines. The element should analyze design review guidelines and the process, including approval procedures and decision-making criteria, for their impact as potential constraints on housing supply and affordability. For example, the analysis should describe required findings and discuss whether objective standards and guidelines improve development

certainty and mitigate cost impacts. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate.

In addition, the Housing Crisis Act of 2019 (SB 330, 2019) was signed by Governor Newsom on October 9, 2019 and became effective on January 1, 2020. The Housing Crisis Act (Gov. Code, § 66300), under specified conditions, suspends the use of subjective design standards. The element should evaluate consistency with these requirements and include actions as appropriate.

Code Enforcement: The element should clarify the City's process to enforce building codes (e.g., compliant-based, or proactive). It could also discuss any programs or policies to assist owners in addressing violations.

On/Off-Site Improvements: While the element provides some information about on and off-site improvements, it should identify actual standards for typical developments such as street widths, bicycle paths, undergrounding all utility lines, sidewalks and curbs and analyze their impact as potential constraints on housing cost, supply, and affordability.

Constraints on housing for Persons with Disabilities: The element should indicate how the City defines family and analyze impacts on housing for persons with disabilities, including any limits on the number of people or restrictions on unrelated persons.

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... 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).)*

Requests for Lower Density, Permit Times, and Efforts to Address Nongovernmental Constraints: The element must analyze (1) requests to develop housing at densities below those identified in the inventory, (2) the length of time between receiving approval for a housing development and submittal of an application for building permits, and (3) any local efforts to address or mitigate nongovernmental constraints such as reduced fees, financing for affordable housing or expedited processes. The analysis should address any hinderances on the construction of a locality's share of the regional housing need and programs should be added or modified as appropriate.

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).)*

While the element includes data and a general discussion of housing challenges faced by special needs households, it still must provide an analysis of the existing needs and resources for each special needs group including farmworkers, extremely low-income households (ELI), seniors, female-headed households, people with disabilities, farmworkers, and disadvantaged unincorporated communities. For example, the element should discuss the existing resources to meet housing needs (availability of shelter beds, number of large units, number of deed restricted units, etc.), an assessment of any gaps in resources, and proposed policies, programs, and funding to help address those gaps.

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).)*

The element states that the City has a portfolio of 1,687 affordable housing units, however HCD's records indicate that the City has 1,791 affordable housing units. The element should reconcile these figures.

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. In addition, the element should be revised as follows:

Shortfall of Sites: While the jurisdiction identified general plan designations to allow for high-density housing to address the RHNA, the element appears to acknowledge that the zoning is not currently in place to implement the general plan designations. If so, the City must address a shortfall of sites to accommodate the RHNA for lower-income households.

For example, if a shortfall exists, the element must include a program to specifically commit to acreage, allowable densities, and anticipated units. In addition, to

accommodate the housing needs of lower-income households, the program should specifically commit to rezoning pursuant to Government Code section 65583.2, subdivisions (h) and (i). Specifically, the program must 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. By-right means local government review must not require a conditional use permit, planned unit development permit, or other discretionary review or approval;
- accommodate a minimum of 16 units per site;
- require a minimum density of 16/20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-use project.

Zoning for a Variety of Housing Types: The element identifies Program 1.8, 1.9, 1.10, 1.11, 1.12, and 4.2 committing to provide a variety of housing types (e.g., SROs, transitional and supportive housing, employee housing, etc.) and address constraints for people with disabilities. These actions were also identified in the last planning period but have not been completed. HCD encourages the City to utilize HCD's technical assistance resources and model ordinances to ensure effective and efficient implementation. Please see the Housing Hub Site: [Housing Planning Hub Site \(arcgis.com\)](http://arcgis.com).

Program 1.8 – Transitional and Supportive Housing: While the element includes a program to address zoning with transitional and supportive housing, and low barrier navigation centers, the Program should reference definitions in Government Code instead of Health and Safety Code.

Program 1.10 – Group Homes: This Program should also commit to revising the zoning code to permit group homes of seven or more in an objective manner that promotes approval certainty. For example, group homes of seven or more should not be excluded from zones that allow for similar uses such as small group homes and residential uses.

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).)*

Farmworkers: While the element included Program 1.12 and 1.13 to zone and encourage housing for farmworkers, it must include additional actions with specific timeframes, to promote and address the needs of farmworkers. Examples of actions could include proactive outreach with developers and the community, provide incentives (e.g., expedited permitting, flexible development standards, gap funding, fee waivers), and applying for state and federal 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 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.

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 does not include an assessment of fair housing. Depending on a complete analysis, the element must add or revise programs as appropriate.

5. *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).)*

Program 5.5 – Accessory Dwelling Units (ADU): While the element includes a program to update the City’s ADU ordinance, it should also commit to actions that incentivizes or promotes ADU development for very low-, low-, and moderate-income households. This can take the form of flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, fee waivers and more. Other strategies could include developing information packets to market ADU construction, targeted advertising of ADU development opportunities or establishing an ADU specialist within the planning department.

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 for some income groups, it must also include objectives for the number of units that will be conserved/preserved for all income groups, and the number of units that will be rehabilitated for extremely low, very low, and moderate.

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).)

While the element included a summary of public comments and feedback from the Community, the element should describe how they were considered or incorporated into the element.

In addition, HCD understands the City made the element available to the public concurrent with its submittal to HCD. By not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the City has not yet complied with statutory mandates to make a diligent effort to encourage the public participation in the development of the element and it reduces HCD's ability to consider public comments in the course of 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 making 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.