

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

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July 9, 2021

Craig Hoffman, Director
Community Development Department
City of Galt
495 Industrial Drive
Galt, CA 95632

Dear Craig Hoffman:

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

Thank you for submitting the City of Galt's (City) draft housing element received for review on May 11, 2021, along with revisions received on June 23, 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 June 18, 2021 with Craig Hoffman and consultants Ryan Mintier, Rick Rust, and Amy Yang.

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 May 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 herein, adopt, and submit to HCD to regain housing element compliance.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of May 15, 2021 for Sacramento Area Council of Governments (SACOG) localities. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at:
http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.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.

Pursuant to Government Code section 65583.3, subdivision (b), the County 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 County must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

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

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 dedication Craig Hoffman and consultants Ryan Mintier, Rick Rust, and Amy Yang provided during the course of our review. 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 Hillary Prasad, of our staff, at Hillary.Prasad@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West".

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF GALT

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))*

Access to Opportunity: The element must provide additional analysis on access to opportunity for transportation and environmental quality.

Local Data and Knowledge: The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers.

Other Relevant Factors: The element discusses regional loan denial rates. However, given the socio-economic patterns, the element must include analysis to understand the dynamics behind past actions to better inform future actions. For example, the element must include discussion of past zoning practices, governmental (state, federal and local) investment, related demographics and other factors as appropriate.

Goals and Actions: The element must be revised to add or modify goals and actions based on the outcomes of analysis described above. Goals and actions must specifically respond to the analysis of 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 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. *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 1,926 housing units, of which 647 are for lower-income households. To address this need, the element relies on vacant sites, including sites in a future annexation area. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Progress in Meeting the RHNA: The element indicates (pages 7-136) that 337 units affordable to very low-income and low-income households have been built or are under construction or approved, but must also demonstrate affordability based on actual sales price or rent level of the units and demonstrate their availability in the planning period.

Sites Inventory: The element must indicate which sites in the inventory will be rezoned. Table 7.A-1 lists the two Dry Creek Oaks Sites current zoning as LI with a proposed zoning of R4. However, it is unclear if the R4 zoning is in place or if rezoning is required. If rezoning is required, it needs to meet rezone requirements. (See Finding B1 below.)

As you know, pursuant to Government Code section 65863, local governments must ensure the inventory of sites or any site programs accommodate the regional housing need throughout the planning period of the element. In addition, no local government action shall reduce, require or permit the reduction of the residential density for any parcel, or allow development of any parcel, at a lower residential density than identified in the site inventory or program unless the local government makes written findings. The required findings must demonstrate the reduction is consistent with the adopted general plan, including the housing element and the remaining sites identified in the housing element are adequate to accommodate the jurisdiction's share of the regional housing need. The element states that the two Dry Creek Sites have intended uses of an assisted living facility and senior housing community, but the City has not received an application yet. If the sites develop at densities or affordability levels that differ from what is listed in the sites inventory, no net loss provisions may apply.

Accessory Dwelling Units (ADU): The element assumes an ADU build out of 64 ADU and/or Junior Accessory Dwelling Unit (JADU) based on regional trends. While this is an acceptable methodology, given that the City does not have data on ADU production over the past few years, it is not clear if this production level will be achievable in the planning period. However, the element does not support using an average of 8 ADUs permitted per year in the planning period and assumptions should be adjusted downward. Based on permit trends in nearby communities, the department recommends assuming four ADU permits per year. In future years and upon demonstrating an increase in annual ADU production, the City may re-submit the housing element to recalculate the number of ADUs utilized to accommodate the remaining regional housing need.

3. *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. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)

Fees and Exaction: The element includes typical fees for single family development but must also include an analysis of total fees for a typical multifamily development.

Local Processing and Permit Procedures: The element should analyze any other required approvals for typical single family and multifamily development if needed and should specifically evaluate the impacts of compatibility findings on certainty and objectivity in the review process.

Constraints on Housing for Persons with Disabilities: The element describes the City's procedure for requesting and granting reasonable accommodation to zoning and land use requirements for persons with disabilities. The element must include a program to revise the procedure to remove constraints, including but not limited to the conditional use permit requirement in the City's reasonable accommodation procedure. The element must also analyze the conditional use requirement and exclusion of group homes for 7 or more individuals and include a program to address and remove the constraint on housing for persons with disabilities.

B. 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 A2, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

Program HE-B (East Galt Infill Annexation): The program to annex additional land should include discrete timing as well as alternatives, including milestones and completion if annexation is not completed early enough in the planning period to facilitate development.

Program HE-K (Increase Allowable Residential Densities): Revise the program to specifically commit to rezone consistent with all by-right requirements under Government Code sections 65583, subdivision (c), and 65583.2, subdivisions (h) and (i).

Program HE-V (Special Needs Housing): The element should revise the timing of action e to provide timing for monitoring the need for farmworker housing in the City.

Program HE-X (Supportive Housing): While the program commits to by-right permanent supportive housing, it must also clearly commit to amend the zoning code to permit transitional and supportive housing consistent with Government Code section 65583, subdivision (c)(3).

2. *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 A3, 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. In addition, as noted above, programs must be revised to address constraints related to reasonable accommodation procedures and group home facilities with 7 or more residents.

3. *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 mentioned in Finding A1, based on the outcomes of a complete analysis, programs should be revised to address enhancing housing mobility strategies; encouraging development of new affordable housing in high resource areas; improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing; and protecting existing residents from displacement.

4. *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).)*

In the at-risk analysis, the element identifies Palm Gardens Apartments as at-risk due to annual renewal of the HUD HAP contract. While the element includes Program HE-S (Monitor At-Risk Housing), the program must include immediate coordination with qualified entities, assistance or support with funding, education, outreach, and support with tenants.

C. 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 included a quantified objective for new construction and rehabilitation, it must also include conservation objectives. For example, the element may utilize anticipated numerical outcomes from Programs HE-P and HE-R.