DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

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September 17, 2021

Scott Webb, City Planner Development Department City of Victorville 14343 Civic Drive Victorville, CA 92393-5001

Dear Scott Webb:

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

Thank you for submitting City of Victorville's (City) draft housing element received for review on July 20, 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. In addition, HCD considered comments from Inland Equity Partnership pursuant to Government Code section 65585, subdivision (c).

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.

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 October 15, 2021 for Southern California Association of Governments (SCAG) localities. If adopted after this date, Government Code section 65588, subdivision (e), paragraph (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.

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 is committed to assisting Victorville in addressing all statutory requirements of State Housing Element Law and appreciates your efforts as well as consultants Irlanda Martinez, Hitta Mosesman and Dima Galkin provided in the preparation of your draft element. If you have any questions or need additional technical assistance, please contact Gerlinde Bernd at Gerlinde.Bernd@hcd.ca.gov.

Sincerely,

Shannan West Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF VICTORVILLE

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

 An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including extremely low-income households... (Gov. Code, § 65583, subd. (a)(1).)

Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)

Extremely Low-Income Households (ELI): The element includes some basic information regarding extremely low-income (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 could 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.

<u>Housing Conditions</u>: The element identifies the age of the housing stock. However, it must include an estimate and analysis of the number of units in need of rehabilitation and replacement. For example, the analysis could include utilize information from the recent survey, estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from other organizations. For additional information, see the Building Blocks at http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml.

2. 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).)

<u>Assessment of Fair Housing</u>: While the element includes some maps and reporting of data on various components of the assessment of fair housing, it must also include analysis such as trends and characteristics.

<u>Local Data and Knowledge</u>: The element should incorporate local data and knowledge of the jurisdiction into the AFFH section. To assist in meeting this requirement, the element should provide local data not captured in regional, state, or federal data analysis.

Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends.

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 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.

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).)

Regional Housing Needs Allocation (RHNA) Progress: The City's RHNA may be reduced by the number of new units built since July 1, 2021. The element indicates (p. 8-4) 63 units affordable to low-income households toward the RHNA but must also demonstrate the affordability of the units. Specifically, the element must assign these units based on actual or anticipated sales price or rent level of the units or other mechanisms ensuring affordability (e.g., deed-restrictions).

Realistic Capacity: The element (p. 8-6) mentions an assumption of 75 to 100 percent of maximum allowable densities to calculate residential capacity on identified sites based on an overview of proposed development densities. However, the element should include additional and clear supporting information on typical densities of existing or approved residential developments at a similar affordability level. For example, the element could clearly list other recent projects, the zone, acreage, built density, allowable density, level of affordability and presence of exceptions such as a density bonus.

<u>Infrastructure</u>: The element generally describes infrastructure and forecasts (p. 4-83) in the City. However, it must also demonstrate sufficient total water and sewer capacity (existing and planned) to accommodate the regional housing need in the planning period.

Replacement Housing Requirements: If the sites inventory identifies sites with existing residential uses, it must identify whether the current residential uses are affordable to lower-income households or describe whether the additional residential development on the site requires the demolition of the existing residential use. For nonvacant sites with existing, vacated, or demolished residential uses and occupied by, or subject to an affordability requirement for, lower-income households within the last five years there must be a replacement housing program for units affordable to lower-income households (Gov. Code, § 65583.2, subd. (g)(3)). Absent a replacement housing program, these sites are not adequate sites to accommodate lower-income households. The replacement housing program has the same requirements as set forth in Government Code section 65915, subdivision (c), paragraph (3). The housing element must be revised to include such analysis and a program, if necessary.

<u>Electronic Sites Inventory</u>: 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. 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.

Zoning for a Variety of Housing Types (Emergency Shelters): The element should clarify emergency shelters are permitted without discretionary action and describe the development standards of the Neighborhood Service (C-1) zone. In addition, the element should describe proximity to services in addition to transportation, and any conditions inappropriate for human habitability.

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).)

<u>Land-Use Controls</u>: The element must identify and analyze all relevant land-use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land-use controls independently and cumulatively with other land-use controls. The analysis should specifically address requirements related to multifamily parking and heights. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints.

<u>Processing and Permit Procedures</u>: While the element states most development is subject to the Site Plan Review and includes information about processing times, 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

hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing cost, supply, timing, and approval certainty. For example, the element should identify and analyze approval findings for impacts on approval certainty and any approaches to promote certainty and add or modify programs as appropriate.

<u>Group Homes</u>: The element appears to indicate group homes for six or fewer persons are only allowed unless licensed by the state. If necessary, the element should evaluate this requirement as a potential constraint and add or modify programs as appropriate. In addition, group homes for seven or more persons appears to be excluded from several zones allowing residential uses and subject to a conditional use permit. The element should evaluate these requirements as constraints and modify Program PP-I.1 as appropriate.

<u>Building Codes and Enforcement</u>: The element must describe and analyze any local amendments to the building code and their enforcement for impacts on housing supply and affordability. For additional information and a sample analysis, see the Building Blocks at http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml.

<u>SB 35 Streamlined Ministerial Approval Process</u>: The element must clarify whether there are written procedures for the SB 35 (Chapter 366, Statutes of 2017) Streamlined Ministerial Approval Process and add a program to address these requirements if necessary.

Zoning and Fees Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards and fees on the City's website or add or modify programs.

<u>Water Sewer Priority</u>: 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. 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.

B. <u>Housing Programs</u>

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. Programs to be revised with discrete timelines include PP-B.1 (Assist with Development), PP-D.3 (Support Non-profits), PP-D.4 (Assist with Extremely Lowincome), PP-F.1 (Advertise Resources), PP-F.2 (Monitor Grant Opportunities), PP-G.1 (Publish Resources) and PP-O.2 (Safe Housing Conditions). Programs to be revised with specific commitment include PP-A.1 (Update the Land Use Element), PP-B.4 (Menu of Incentives), PP-C.3 (Encourage Accessory Dwelling Units), PP-D.4 (Assist with Extremely Low-income), PP-H.3 (Update the Land Use Element) and HE-J.1 (Rent Stabilization Ordinance).

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 A3, 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:

- Rezoning: The element identifies a shortfall of sites to accommodate the regional housing needs allocation for lower-income households. As a result, programs to rezone sites must also comply with all by-right provisions pursuant to Government Code section 65583.2, subdivisions (h) and (i).
- Replacement Housing Requirements: If necessary, the housing element must include a program to provide replacement housing. (Gov. Code, § 65583.2, subd. (g)(3).) The replacement housing program must adhere to the same requirements as set forth in Government Code section 65915, subdivision (c), paragraph (3).
- Large Sites: The element identifies several large sites and also describes a program was present in the past planning period (p. 5-3) but, given the importance of this program, should also closely evaluate the effectiveness of that program and revise programs PP-A.5 and PP-B.1 as appropriate.

3. 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).)

<u>Special Needs Households</u>: The element must include a program(s) with specific actions and timelines to assist in the development of housing for special needs households, specifically, persons with disabilities, including developmental disabilities. The program(s) could commit the City to proactively reaching out to developers of affordable housing, adopting priority processing, granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to special needs households; assisting, supporting or pursuing funding applications; and outreach and coordination with affordable housing developers.

<u>State Density Bonus Law</u>: As noted on page 3-23, Program PP-A.2 (Menu of Density Bonuses) should be revised with specific commitment to adopt a density bonus ordinance pursuant to Government Code section 65915.

4. 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 A4, 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.

5. 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 A2, the element does not include a complete Assessment of Fair Housing (AFH). Depending on a complete analysis, the element may need to add or revise programs as appropriate.

C. <u>Public Participation</u>

Include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort. (Gov. Code, § 65583, subd. (c)(9).)

While the element describes community meetings and a comprehensive survey, moving forward, the City should employ additional methods for public outreach efforts, particularly

specific to the housing element and including 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. In addition, the element should also summarize public comments and describe how they were considered and incorporated into the element.

Finally, the element does not clearly describe the availability of the draft housing element to the public prior to submittal to HCD. For your information, by not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the City will not have 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 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. If applicable, 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.

D. General Plan Consistency

The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)

While the element describes that it was prepared in a manner to ensure internal consistency, it should also describe how internal consistency will be maintained throughout the planning period.