

**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



December 31, 2021

Tom Oliver, Associate Planner
Planning Division
Development Services
City of Los Alamitos
3191 Katella Avenue
Los Alamitos, CA 90720

Dear Tom Oliver:

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

Thank you for submitting the City of Los Alamitos' (City) draft housing element received for review on November 3, 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 the Kennedy Commission 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.

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 appreciates your efforts and cooperation provided in the preparation of the draft element. 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 Chelsea Lee, of our staff, at Chelsea.Lee@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF LOS ALAMITOS

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

As part of the review of programs in the past cycle, the element must provide an evaluation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers, and persons experiencing homelessness).

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing 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 City has received minimal input on the housing element and particularly, has not received input regarding the AFFH requirements. Moving forward, the City should use a variety of outreach methods (beyond workshops and hearings) to gather input on AFFH requirements. In addition, the City could consider and tailor outreach from other processes such as a regional analysis of impediments to fair housing choice. Based on this outreach, the element should formulate appropriate programmatic response.

Enforcement: The element notes the City complies with fair housing laws regarding investigation of complaints but also describes the City has not undertaken a complete review of zoning laws and policies to ensure compliance with fair housing laws. As part of this assessment of fair housing, the element must address compliance with existing fair housing laws as well as any past or current fair housing lawsuits, findings, settlements, judgements, or complaints.

Please visit pages 29-30 of HCD's Affirmatively Furthering Fair Housing (AFFH) guidance memo: https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf.

Racial/Ethnic Areas of Concentration of Areas of Affluence (RCAA): The element states that a RCAA does not exist; however, the City is predominantly a high resource community according to TCAC/HCD Opportunity Maps and is predominantly higher income. These patterns differ from the surrounding region and the element should include specific analysis of the City compared to the region and should formulate policies and programs to promote an inclusive community. For example, the City should consider additional actions (not limited to the regional housing needs allocation (RHNA)) to promote housing mobility and improve new housing opportunities throughout the City. This is particularly important since the City did not permit any housing affordable to lower-income households in the prior planning period.

Disparities in Access to Opportunity: The element evaluates patterns and trends related to disparities in access to opportunity for job proximity, education, and environmental quality, it must also address access to opportunity for transportation.

Disproportionate Housing Needs including Displacement Risk: The element includes some information on overcrowding and overpayment and states most of the housing stock is in suitable conditions, but it should evaluate patterns of housing conditions and address displacement risk. For housing conditions, the City could utilize information from code enforcement to evaluate patterns from neighborhood to neighborhood. For displacement risk, the City could utilize information from the Urban Displacement Project at <https://www.urbandisplacement.org/maps/los-angeles-gentrification-and-displacement/>.

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element includes some broad discussion and conclusions such as sites isolated in the Town Center and that larger sites will contain a variety of housing types. However, to support conclusions related to fostering inclusive communities, the element should analyze the location of all sites by income group and the number of units and magnitude of the impact on existing patterns of socio-economic characteristics. As part of this analysis, the element could emphasize the City's mixed-income approach to identifying sites.

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: A discussion of other relevant factors is an important piece of evaluating patterns, trends, and policies that have contributed to certain fair housing conditions. This analysis must consider information that is unique to the City such as governmental and nongovernmental actions or lack thereof regarding zoning and land use regulations, information about past redlining/greenlining, restrictive covenants, practices such as disinvestment in policies that contribute to disproportionate housing needs and demographic trends.

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

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.

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 Conditions: While the element includes some information on housing stock conditions from American Community Survey (ACS) data, it must also estimate the number of units in need of replacement and rehabilitation. For example, the analysis could include estimates from the code enforcement agency. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

Housing Costs: The element includes information from the ACS on housing costs; however, it should include current information on rents to reflect market conditions and better evaluate housing needs and formulate appropriate policies and programs.

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).)*

Parcel Listing: The element lists parcels by various factors such as size and zoning. However, the listing identifies sites with multiple parcels and acreage should be identified for each parcel. In addition, the listing must include existing uses. The description of existing use should include sufficient detail to facilitate an analysis of the potential for additional development on nonvacant sites. For example, the element notes some sites are actively being marketed for development. For these sites, the listing should describe the use and which sites are being marketed in the listing.

Realistic Capacity: The element mentions some general trends related to built densities in the area, but it should also clearly describe the methodology for calculating residential capacity on identified sites. The methodology should account land use controls and site improvements and typical densities of existing or approved residential developments at a similar affordability level. In addition, the element identifies many of the sites in the Town Center Mixed Use zone (TCMU). The element should clearly describe whether 100 percent nonresidential uses are allowed in the zone and if so, account for the likelihood of

100 nonresidential uses in the calculation of residential capacity. The analysis could be based on factors such as development trends, performance standards or other relevant factors such as proposed policies or residential performance standards. For example, the element could analyze all development activity in the TCMU zone, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly.

Large Sites: Sites larger than ten acres in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. The element lists two larger sites and deems those sites suitable but must provide analysis to support this conclusion. The analysis should address recent experience based on size and affordability or provide other evidence and policies and programs. For example, the element could discuss the mixed-income approach or adjust policies to reflect a mixed-income approach on sites anticipated to be zoned R4. Based on a complete analysis, the element should modify programs to encourage development on larger sites.

Suitability of Nonvacant Sites: While the element identifies nonvacant sites to accommodate the regional housing need for lower-income households, it must describe the methodology used to determine the additional development potential within the planning period. The methodology must consider factors including the extent to which existing uses may impede additional residential development, development trends, market conditions, any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, and regulatory or other incentives or standards to encourage additional residential development on these sites. (Gov. Code, § 65583.2, subd. (g).)

As noted above, the parcel listing should denote which sites are actively being marketed for development. For all other sites, the element should include a methodology as described above. In addition, the element describes many other underutilized sites, including unfavorable conditions for additional development (p. AB-10). The element should clearly state whether these sites are being utilized to accommodate the RHNA. If these sites are not being utilized toward the RHNA, then they should not be used for purposes of maintaining sites throughout the planning period pursuant to Government Code section 65863. If these sites are being utilized toward the RHNA, the element must include additional analysis, rescale assumptions or remove sites as appropriate. For example, the element lists recent projects but should describe how many units existed on the site before redevelopment and other relevant information then relate that information to the sites identified to accommodate the RHNA. Please note, the element may necessitate additional trend analysis given that most recent projects appear to be greater than three additional units and most sites are identified with three or less units of additional capacity.

In addition, the housing element appears to rely upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element 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.

Finally, if element utilizes sites with existing residential uses. Absent a replacement housing policy, these sites are not adequate sites to accommodate lower-income households. The replacement housing policy has the same requirements as set forth in Government Code section 65915, subdivision (c) (3).

Publicly-Owned Sites: The element must include additional discussion or policies and programs on each of the publicly-owned sites identified to accommodate the RHNA. Specifically, for the City-owned site, the element should include a program with a schedule of actions to facilitate development, including timing for marketing and requests for proposals and compliance with the Surplus Land Act Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5. For the state-owned site, the element should discuss status, anticipated timing for development, any known conditions that slow or preclude development and add or modify programs to facilitate development in addition to proposed zoning actions to upzone the sites.

Environmental Constraints: While the element generally describes a few environmental conditions and that there are no known hazards or utility service gaps on identified sites, it should describe any other known conditions that could impact housing development on identified sites in the planning period.

Sites Identified in Prior Planning Periods: Sites identified in prior planning periods shall not be deemed adequate to accommodate the housing needs for lower-income households unless a program, meeting statutory requirements, requires rezoning within three years. The element should clarify if sites were identified in prior planning periods and if so, which sites and include a program if utilizing previously identified sites in the current planning period. For more information on program requirements, please see HCD's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Water/Sewer Priority: For your information, local governments are required to immediately deliver the housing element to water and sewer service providers. HCD recommends including a cover memo describing the City's housing element, including the RHNA. 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>.

Electronic Sites Inventory: 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.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of*

housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)

Land-Use Controls: The element must analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobilehomes, transitional housing). 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 and cost and supply of housing. Specifically, the analysis should address multifamily parking requirements and add or modify programs.

Fees and Other Exactions: The element notes the City is similar to other cities based on a fee survey from 2014; however, it must also list planning and impact fees for a typical single family and multifamily development and evaluate the cumulative impact of fees on development costs. For additional information and a sample analysis and tables, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/fees-and-exactions.shtml>.

Housing for Persons with Disabilities: The element states the City has a reasonable accommodation procedure (p. 3-19), but it should also analyze the procedure for potential constraints. For example, the analysis should address the process, application requirements and approval findings. In addition, the element indicates group homes for six or fewer persons and for seven or more persons are excluded from some residential zones, unlike single family uses and in the case of group homes for seven or more persons, subject to a conditional use permit (CUP). The element must analyze the lack of zones and CUP procedure as constraints on housing for persons with disabilities and add or modify programs to promote objectivity and approval certainty for these housing types.

Streamlining Provisions: The element should clarify whether the City has procedures consistent with streamlining procedures pursuant to Government Code section 65913.4 (Sb 35) and include programs as appropriate.

Zoning, Development Standards and Fees: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards and fees for each parcel on the jurisdictions' website and add a program to address these requirements if necessary.

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the*

locality's planning for the development of housing for all income levels and the construction of that housing. (Gov. Code, § 65583, subd. (a)(6).)

Identified Densities and Approval Times: The element must analyze requests to develop housing at densities below those anticipated in the sites inventory and the length of time between receiving approval for housing development and submittal of application for building permits. The analysis must address any hinderances on housing development and programs should be added as appropriate.

C. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

To have a beneficial impact in the planning period and achieve the goals and objectives of the housing element, programs must have specific commitment and timelines toward tangible housing outcomes in the planning period. However, several programs consider actions as projects are proposed or on a case-by-case basis. Instead, these programs should be proactive with discrete timing. For example, a program could reach out to developers annually. In addition, the element could include a mid-planning period evaluation and adjustment of programs depending on their effectiveness. This is particularly important given the lack of progress and outcomes in the prior planning period. Examples of programs to be revised include Policy Actions 1.3 (Rehabilitation of Multifamily), 3.1 (Housing for Persons with Disabilities) and 4.1 (Incentives for Development of Housing Affordable to Extremely Low-, Very-Low Low- and Moderate-Income Households).

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B3, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

Shortfall of Sites: The element appears to utilize Policy Actions 4.4 (Create R-4 Zoning to Allow Higher Density) and potentially 4.5 (Modify TCMU Zoning to Allow Higher Density) to accommodate the regional housing need for lower-income households. To the extent necessary to accommodate the RHNA for lower-income households, these Policy Action(s) must specifically commit to acreage, allowable densities, and anticipated units. In addition, if necessary, to accommodate the housing needs of lower-income households, the Policy Action(s) should specifically commit to meet all rezoning requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i).

Publicly-Owned Sites: As noted in Finding B3, the element should include a program with a schedule of actions to facilitate development on publicly-owned sites.

Policy Action 4.2 (Encourage and Facilitate Lot Consolidation): The Policy Action should include clear and specific commitment to establish incentives for lot consolidation, when and how the City will work with property owners and evaluate the effectiveness of these actions at least twice in the planning period, including committing to make adjustments within a specified time (e.g., within 6 months).

Policy Action 4.8 (Zoning Code Update): The Policy Action commits to amend zoning as state laws are amended. In addition, this Policy Action should include specific and clear commitment to amend zoning, in compliance with state law, for employee housing (Health and Safety Code section 17021.5) and permanent supportive housing (Government Code section 65651).

Sites Identified in Multiple Planning Periods: As noted in Finding B3, if identifying sites utilized in prior planning periods, the element must include a program for vacant sites identified in two of more consecutive planning periods' housing elements or nonvacant sites identified in a prior housing element, that are currently identified to accommodate housing for lower-income households. The program must be implemented within the first three years of the planning period and commit to zoning that will meet the density requirements for housing for lower-income households and allow by-right approval for housing developments that include 20 percent or more of its units affordable to lower-income households. (Gov. Code, § 65583.2, subd. (c).)

Replacement Provisions: As noted in Finding B3, if utilizing sites with existing residential uses, the element should include a policy replacing units on sites with existing residential uses pursuant to Government Code section 65583.2, subdivision (g).

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).)*

While the element includes Policy Action 3.1 (Housing for Persons with Disabilities), it should include additional actions to assist in development of housing for persons with special needs beyond housing for persons with disabilities, including persons with developmental disabilities, elderly, large households, farmworkers, and persons experiencing homelessness). Actions may include proactive outreach and assistance to non-profit service providers and developers, prioritizing some funding for housing developments affordable to special needs households and offering financial incentives or regulatory concessions to encourage a variety of housing types.

In addition, Policy Actions 5.2 (Pursue External Funding) and 5.3 (Partnerships and Coordination with Developers and Outside Agencies) should specifically commit to how often (e.g., annually) the City will pursue external funding or reach out to developers and outside agencies to assist in development of housing for lower-income households. This is particularly important given the lack of outcomes in the prior planning period. In addition, the City could consider explicitly linking these two programs so the City can leverage the expertise of developers and outside agencies.

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 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.

5. *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 must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. For additional guidance on program requirements to AFFH, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

6. *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).)*

Policy Action 4.7 (Accessory Dwelling Units) commits to monitor Accessory Dwelling Units and if necessary, the City “may consider” incentives. However, the Policy Action should include clear and specific commitment to establish incentives.

D. 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).)

The element describes that the full extent of public participation was a public workshop and hearings. Further, the element appears to have received minimal public input. Moving forward, the City must 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, establish a committee representative of lower-income households in future public outreach efforts or partner with outside agencies such as the Kennedy Commission. Future versions of the element should describe these efforts, comments received and how the comments were considered in the element. The City’s consideration of public comments must not be limited by HCD’s findings in this review letter.