

**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 17, 2021

John Carver, Director
Planning Department
City of Paramount
16400 Colorado Avenue
Paramount, CA 90723

Dear John Carver:

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

Thank you for submitting the City of Paramount's (City) draft housing element received for review on September 22, 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 16, 2021 with you, Assistant Community Development Director John King, Associate Planner Ivan Reyes, and Jose Rodriguez of MIG.

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 revisions needed to comply with State Housing Element Law.

The City's statutory deadline to adopt a housing element was October 15, 2021. 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 this statutory deadline, 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 criterion. 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 County 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 Colin Cross, of our staff, at colin.cross@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF PARAMOUNT

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).)

General: While the element includes some information on the progress in implementation from the previous element, it must evaluate the effectiveness of programs. Several programs from the previous housing element cycle include quantified objectives, but the 6th Cycle draft does not include quantified measures of progress against those objectives. Based on the outcomes of this evaluation, the element should revise programs for the 6th Cycle element as appropriate.

Special Needs: As part of the review of programs in the past cycle, the element must provide a cumulative 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).)*

Patterns and Trends: For all categories of analysis (segregation and integration, racially and ethnically concentrated areas of poverty and affluence, access to opportunity, and disproportionate housing needs, including displacement), the element minimally addresses requirements to analyze local patterns and trends based on race. However, the element must also analyze local and regional patterns and trends for each category and subcategory of analysis. A local analysis should compare conditions between

neighborhoods, census tract or some other similar measure. A regional analysis should compare conditions at the local level to the rest of the region, for example at the level of the County or other subregional geography.

Please see the HCD Affirmatively Furthering Fair Housing (AFFH) Data Viewer at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

Segregation and Integration: The element analyzes segregation and integration on the basis of race. However, this analysis should also address segregation and integration by disability, familial status, and income.

Disparities in Access to Opportunity: The element includes some discussion on indicators of access to opportunity, but it should still evaluate patterns and trends as described above. The analysis should address access to opportunities for education, economy, transportation, and environmental quality.

Disproportionate Housing Needs, Including Displacement: The housing element must assess disproportionate housing needs, including displacement risk on people with protected characteristics and lower-income households. The element generally mentions City-wide cost burdens, but it must still analyze patterns and trends of overpayment, overcrowding, substandard housing, homelessness, and displacement risk.

Local Data and Knowledge: 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, including information obtained through community participation or consultation.

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, zoning, governmental and nongovernmental spending including transportation investments, history of lending practices and demographic trends.

Site Inventory: The element notes the geographic distribution of sites with respect to TCAC/HCD Opportunity Maps but does not identify whether sites are isolated by income group or whether sites improve or exacerbate conditions. A full analysis should address the income categories of identified sites with respect to location and how that affects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to mitigate this (e.g., anti-displacement strategies).

Contributing Factors: Based on the outcomes of a complete analysis, the element should re-evaluate and prioritize contributing factors to fair housing issues as appropriate.

Strategies and Actions: Goals and actions must significantly seek to overcome contributing factors to fair housing issues. Current program actions include the City's already existing strategies to amend its zoning ordinance for compliance with state law, as well as Program 18 (Fair Housing Services), which continues the City's practice of referring fair housing complaints, among other things. This is not adequate to satisfy the requirement for specific and meaningful actions. Program actions should be proactive, facilitate meaningful change, and respond directly to the contributing factors to fair housing issues that were identified. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. The element must add and revise programs based on a complete analysis, including prioritized contributing factors 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. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

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 Needs Assessment: The element quantifies household characteristics, but it should also analyze those characteristics. For example, the analysis could address trends, comparisons to other jurisdictions, impacts of characteristics on housing affordability and quality of life, availability of resources to address needs, effectiveness of programs and determine the magnitude of gaps in housing needs.

Extremely Low-Income (ELI) Households: While the element identifies the projected number of ELI households, it must still analyze their existing housing needs. This is particularly important given the unique and disproportionate needs of ELI households. For example, the element could analyze tenure, cost burden, overcrowding and other household characteristics then examine trends and the availability of resources to determine the magnitude of 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>.

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).)*

Site Inventory: The element must identify the number of units by income category for each site. The element assumes a certain capacity for each site, it but does not assign

income categories to the units assumed. Additionally, the element must provide the zoning and general plan designation for each site (Table H-25); currently, the element only provides this information for underutilized residential sites (Table H-24).

Realistic Capacity: The methodology for calculating residential capacity on identified sites must account for land use controls, site improvements and typical densities of existing or approved residential developments at a similar affordability level. The element must support its assumptions of potential yield. For example, for underutilized residential sites and for the North Paramount Gateway Specific Plan, the element assumes 80 percent of potential yield (pp. 58-60), it but does not explain how the City arrived at this percentage. Further support is needed to justify this assumption. The element should demonstrate what specific trends, factors, and other evidence led to the assumptions.

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. To address this, the element briefly describes some existing uses and provides a conservative capacity estimate for sites in the Clearwater East Specific Plan, but it must still include analysis. The analysis should consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the City's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites. For example, the element could consider indicators such as age and condition of the existing structure, potential floor area relative to existing floor area, presence of expiring leases, expressed developer interest in residential development, low improvement to land value ratio, and other factors.

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

Accessory Dwelling Units (ADUs): The element assumes an average of 20 ADUs per year will be constructed during the planning period, for a total of 166 ADUs. The element's analysis and programs do not support this assumption. Based on HCD records and numbers reported in the element, the City is averaging about 8 ADU permits per year since 2018. To include a realistic estimate of the potential for ADUs, the element should reduce the number of ADUs assumed per year or include analysis, policies and programs as appropriate.

Small Sites: The element identifies several sites at less than a half-acre (pp. 58-60). These sites are not eligible absent a demonstration that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless other evidence is provided. If the inventory indicates some sites can be consolidated it should also provide analysis demonstrating the potential for consolidation. For example, the analysis could describe the City's role or track record in facilitating small-lot consolidation, policies or incentives offered or proposed to encourage and facilitate lot consolidation, conditions rendering parcels suitable and ready for lot consolidation, or information from the owners of each aggregated site.

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. While the element includes a program to address this requirement, it should clarify which sites were identified in prior planning periods.

Environmental Constraints: While the element generally describes a few environmental conditions within the City (p. 23), it must relate those conditions to identified sites and describe any other known environmental or other constraints that could impact housing development on identified sites in the planning period.

Infrastructure: The element generally describes infrastructure. However, it must also demonstrate sufficient total water, sewer, and dry utilities capacity (existing and planned) to accommodate the RHNA.

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

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element describes that emergency shelters are permitted in a certain designation of the M-1 zone by-right. The element should

also clarify emergency shelters are permitted without discretionary action and describe development standards, including parking requirements, for compliance with statutory requirements. For your information, zoning may impose sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone. In addition, the element should discuss the suitability of acreage in the zone for the development of emergency shelters, including typical parcel sizes and the presence of reuse opportunities and address any conditions inappropriate for human habitability.

- *Permanent Supportive Housing*: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.
- *Low Barrier Navigation Centers*: Low Barrier Navigation Centers shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660. The element must demonstrate compliance with this requirement and include programs as appropriate.
- *Manufactured Housing*: Government Code section 65852.3 requires manufactured homes on foundations to be allowed on lots zoned for single-family residential uses and only subject to the same standards as single-family residential uses. While the element generally describes these requirements, it must also demonstrate compliance with statutory requirements or add or modify programs as appropriate.
- *Employee Housing*: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs. Specifically, section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone.

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 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 parking, heights and minimum unit sizes. 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.

Proposition FF: The element describes Proposition FF, which establishes a citywide density cap of 22 units per acre. While the element also states the City considers the Proposition inapplicable at this time (2021), it should clearly state how this impacts (e.g., allowable densities) identified sites to accommodate the RHNA and other multifamily zoned sites throughout the planning period, clarify the inapplicability of the proposition in policies or programs and commit to action to address the constraint if it becomes operable.

Fees and Exactions: The element describes application fees for multifamily and various other planning fees, but it should also list all fees for a typical single family and multifamily development, including impacts fees, and analyze the cumulative effect of fees on the cost of development. For example, the analysis could identify the total amount of fees and their proportion to the development costs for both single family and multifamily housing.

Processing and Permit Procedures: While the element generally describes typical residential development is subject to a Residential Review Board or Development Review Board, it should also list and evaluate approval findings for impacts on housing cost, supply, timing, and approval certainty.

Housing for Persons with Disabilities: The element notes the City has a reasonable accommodation procedure. The element should also describe the City's reasonable accommodation procedure, including any approval findings, and analyze as a potential constraint. In addition, the element identifies the definition of family (p. 45), but it should also evaluate the impacts on housing for persons with disabilities. For example, limits on the number of people may act as a constraint on housing for persons with disabilities. The element should add or modify programs as appropriate to address any identified constraints.

Zoning and Fees Transparency: The element commits to post fees to the City's website (Program 15), but it should also clarify its compliance with new transparency requirements for posting all zoning and development standards or add or modify programs as appropriate.

5. *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).)*

The element includes some general quantification; however, the element should include analysis of households with special housing needs. The analysis should include, but is not limited to, factors such as trends, household income, tenure, housing types, zoning, and available resources. Specifically, the element should address persons with disabilities by type

(e.g., ambulatory, hearing difficulties, cognitive), elderly households by tenure and permanent, seasonal farmworkers (e.g., USDA county level data).

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 address the goals of the housing element, programs must be revised with discrete timelines, objectives, and specific and clear commitment to outcomes, as follows:

- *Objectives:* Programs to be revised with objectives include Programs 1 (Affordable Housing Incentives), 2 (Homebuyer Assistance Programs), and 11 (Lead-based Paint Hazard Removal Program).
 - *Discrete Timelines:* Program to be revised with discrete timelines include Programs 1 (Affordable Housing Incentives), 4 (Developer Consultation Program), 6 (Mixed-Use Development Program), 12 (Homeless Plan) and 13 (Residential Rehabilitation). Additionally, Program 5 (Single Room Occupancy Housing Program) should be completed earlier in the planning period (e.g., within one year) and Program 16 should commit to a timeline for updating the ADU ordinance.
 - *Specific Commitment:* Program 9 (Zoning Amendment) should commit to when zoning amendments will be completed.
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 was 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 Adequate Sites:* Programs 8 (Specific Plan Minimum Densities) and 9 (Zoning Amendments) commit to rezoning sites to accommodate the regional housing need. The programs must commit to the shortfall of adequate sites, allowable densities, minimum acreage and all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i) such as permitting multifamily developments without discretionary action with a minimum of 16 units per site and meeting affordability and residential only provisions.
- *Program 16 (ADUs):* The Program should commit to monitor ADUs every two years and include a timeline (e.g., within six months) for implementing alternative strategies if assumptions are not met.

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 Program 4 (Developer Consultation) to expand housing opportunities, this Program should be complemented with additional actions such as incentives, expedited processing and fee waivers. In addition, the Program should clarify the intention to assist in development of housing for lower-income households. Further, as noted on pages 79 and 80, the element should include actions to adopt a density bonus ordinance and assist in development of housing for ELI households. Finally, the element should include a program(s) to assist in the development of housing for all special needs households (e.g., elderly, homeless, farmworkers, persons with disabilities, female-headed households). Program actions could 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.

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 Finding B4, 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.

Additionally, as noted on page 45, the element should include a program to address the conditional use permit for residential care facilities of seven or more persons as a constraint on housing for persons with disabilities.

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 does not contain a complete analysis of AFFH requirements. The element must add or revise programs based on a complete analysis.

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).)

While the element profiles the strategies undertaken to achieve public participation, it must also demonstrate diligent efforts to achieve participation from all economic segments of the community. Specifically, the element should either describe efforts to achieve participation from lower income and special needs households or employ different methods, moving forward. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income households in future public outreach efforts.