

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

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August 6, 2021

CJ Freeland, Planning Manager
Planning and Building Department
County of El Dorado
2850 Fairlane Court, Building C
Placerville, CA 95667

Dear CJ Freeland:

RE: Review of El Dorado County's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the County of El Dorado's (County) draft housing element received for review on June 7, 2021, along with revisions received on July 26, 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 July 20, 2021. In addition, HCD considered comments from Legal Services of Northern California 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), as follows:

1. *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).)*

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... (Gov. Code, § 65583, subd. (c)(5).)

Local Patterns and Trends: The element must still address local (within the County) patterns and trends related to areas of affluence, access to opportunity for environmental quality and displacement risk, including investment-driven (e.g., rapidly increasing rents) and disaster-driven displacement.

Other Relevant Factors: While the element discusses past growth trends such as suburbanization in the western portion of the County, the element should include additional analysis of trends and past actions to better inform future actions. For example, the element can further discuss barriers in zoning and land use rules, patterns of investment such as infrastructure and amenities, restrictive covenants, other discriminatory practices and demographic trends within the County such as age, tenure, housing units by type and unemployment.

Sites Inventory: The element includes some general discussion of sites relative to opportunity maps but should include additional discussion relative to segregation and integration. Further, the analysis should address the number of units by affordability to examine the impacts of the identified sites on socio-economic patterns and better conclude whether the inventory improves or exacerbates socio-economic living patterns. This, in turn, should be utilized to inform policies and programs.

Goals, Priorities, Metrics, and Milestones: 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 and 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, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

For additional resources, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

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).)*

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... (Gov. Code, § 65583, subd. (c)(1).)

Appropriate Densities to Accommodate Lower-Income Households: The element must demonstrate appropriate densities to accommodate housing for lower-income households. The element may either provide an analysis based on statutory factors (Gov. Code, § 65583.2, subd. (c)(3)) or utilize densities statutorily deemed appropriate (30 units per acre for El Dorado County). In the prior planning period, the element contained an analysis demonstrating appropriate densities, and HCD accepted that analysis due to the inclusion of a program to increase allowable densities. As noted on page 4-111, this program was not implemented because it was not needed to meet state mandates. However, the program was fully intended to meet state mandates. Now, in the current planning period, the analysis claims lesser densities (20 units per acre) are appropriate to accommodate housing for lower-income households based on developments that are mostly over a decade old and minimal communication with developers. This analysis is insufficient, and the element must be revised, including analysis and programs to increase allowable densities.

Infrastructure: The element must demonstrate existing and planned total water and sewer capacity to accommodate the regional housing need allocation. To demonstrate this capacity, the element includes Table HO-31A with available capacity by water or sewer provider and then lists the relevant provider by site in the residential land inventory (Appendix B). This framework is consistent with statutory requirements; however, Table HO-31A notes the data is pending and as a result, the Table must be completed to fully address this statutory requirement.

Accessory Dwelling Units (ADU): The element states, based on recent changes to state law, the production rate of ADUs will at least double compared to previous years prior to state law changes (prior to 2018). Then, the element lists recent ADU production rates in 2018 (24 units) and 2019 (45 units), after recent changes to state law, and doubles that rate to assume 73 ADUs per year – inconsistent with the prior statement to double production rates prior to 2018. The element may assume an ADU production rate of 35 units per year based on recent trends after changes to law and even may enhance that assumption based on policies and programs (e.g., 50 units per year). However, the element should reduce the rate of 73 ADUs a year. In addition, Program HO-9 to promote ADUs should be revised to go beyond “explore options” for financing and, instead, actually pursue financing annually and commit to establish incentives by a date certain or take alternative paths by a date certain. In

addition, instead of monitoring the production and affordability of ADUs once in the planning period, the program should commit to monitor every two years and take appropriate alternative action withing a shorter time frame (e.g., 6 months or a year).

Programs: As noted above, the element must still include complete analysis of sites and zoning to accommodate the regional housing need allocation. The element must add or modify programs based on the outcomes of complete analyses.

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

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... (Gov. Code, § 65583, subd. (c)(3).)

Fees and Other Exactions: The element lists fees for typical single family and multifamily development but should also analyze the cumulative impact of fees on total development costs. For example, the element should add the total fees per unit and evaluate those fees as a proportion of development costs to better understand the impacts of fees and exactions. The element should add or modify programs based on the outcomes of this analysis.

4. *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... (Gov. Code, § 65583, subd. (c).)*

To have a beneficial impact in the planning period and address the goals of the housing element, programs should be revised with specific commitment and discrete timing. Specifically:

- *Program HO-1 (Specific Plan and Community Plan Updates):* The program should commit to how often the County will update specific and community plans.

- *Program HO-5 (Incentive Program)*: The program should commit to how often the County will reach out to developers of affordable housing (for-profit and non-profit).

The element will meet the statutory requirements of State Housing Element Law once it has been revised to comply with the above requirements.

As a reminder, the County's 6th cycle housing element was due May 15, 2021. As of today, the County has not completed the housing element process for the 6th cycle. The County's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the County to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

To remain on an eight-year planning cycle, the County must adopt its housing element within 120 calendar days from the statutory due date of May 15, 2021 for Sacramento 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.

For your information, pursuant to Government Code section 65583.3, the County must submit an electronic sites inventory with its adopted housing element. The County 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 County can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the County 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 County will meet housing element requirements for these and other funding sources.

HCD appreciates the diligent efforts the housing element update team provided during the course of our review. We are committed to assist the County in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jamillah Williams, of our staff, at Jamillah.Williams@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name "Shannan" written in a larger, more prominent script than the last name "West".

Shannan West
Land Use & Planning Unit Chief