

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

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September 20, 2021

Christopher Macon, City Manager
City of Laguna Woods
24262 El Toro Road
Laguna Woods, CA 92637

Dear Christopher Macon:

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

Thank you for submitting the City of Laguna Woods' (City) draft housing element received for review on July 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 September 14, 2021 with you, Planner Rebecca Pennington, and the City's consultants Ashley Davis and Ryan Bensley. In addition, HCD considered comments from The Kennedy Commission, YIMBY Law, and residents Catherine R Van Camp, Ramesh C Joshi 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)(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, 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.

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 appreciates the professionalism and dedication you, Rebecca Pennington and your consultants provided during the course of our review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Marisa Prasse, of our staff, at Marisa.Prasse@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" and the last name "West" clearly distinguishable.

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF LAGUNA WOODS

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).)

The element did not address this requirement. The review requirement is one of the most important features of the element update. The review of past programs should analyze the City's accomplishments over the previous planning period. This information provides the basis for developing a more effective housing program.

A thorough program-by-program review is necessary to evaluate City's performance in addressing housing goals. As part of this analysis, the element should describe the actual results of the prior element's programs, compare those results to the objectives projected or planned, and based on an evaluation of any differences between what was planned versus achieved, provide a description of how the objectives and programs of the updated element incorporate changes resulting from the evaluation. This information and analysis provide the basis for developing a more effective housing program.

In addition, as part of the evaluation of programs in the past cycle, the element must provide an explanation 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).

For more information, See HCD's Building Blocks at <https://www.hcd.ca.gov/community-development/building-blocks/getting-started/review-revise.shtml>.

B. Housing Needs, Resources, and Constraints

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).)*

General: The element has some basic information on poverty levels and access to opportunity map scores. However, the element generally does not address many

components of this requirement. The element, among other things, must include outreach relevant to AFFH, a full assessment of fair housing, identification, and prioritization of contributing factors to fair housing issues and goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity, as detailed below. For more information, please visit <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

Enforcement: The element must include the City's ability to provide enforcement and outreach capacity which can consist of actions such as the City's ability to investigate complaints, obtain remedies, or the City's ability to engage in fair housing testing. The element currently states that the City works with the Fair Housing Council of Orange County (FHCOC) to provide fair housing community education, individual counseling, mediation, and low-cost advocacy. However, the analysis must also describe compliance with existing fair housing laws and regulations, analyze any patterns in fair housing complaints (using data such as HUD's FHEO Inquiries by City found on HCD's AFFH Data Viewer), and include a conclusion of summary of issues.

Integration and Segregation: The element includes data on dissimilarity by race/ethnicity at the local level; however, it should also evaluate this data for patterns and trends, include a regional comparison, and consider other data options. In addition, this section must address trends and patterns locally and regionally within the City for disability and familial status, and regionally for income. Finally, the element should include a summary of integration and segregation fair housing issues.

Racially/Ethnically Concentrated Areas of Poverty (R/ECAP): The element states that there aren't any R/ECAP in the City. In addition, the City should analyze the racial concentrations as it relates to areas of affluence if the City does not have areas of concentrated poverty. The combination in the R/ECAP and areas of affluence analyses will help guide goals and actions to address fair housing issues. The analysis should evaluate the patterns and changes over time and consider other relevant factors, such as public participation, past policies, practices, and investments and demographic trends.

Access to Opportunity: The element includes some general data from the overall indicators of access to opportunity from the TCAC/HCD maps, as well as some data on local education and economic opportunity, but the element should analyze this data for differences across geographies, trends, other relevant factors and incorporate local data and knowledge. In addition, the element should analyze and compare local trends and patterns to the regional level for access to opportunities related to education, economic, transportation, and environmental quality.

Disproportionate Housing Needs, Including Displacement: The element does include some information on overcrowded households, substandard housing conditions, homelessness, and cost-burdened households, but it must also analyze the data including evaluating spatial trends, patterns, and other local knowledge, and conclude with a summary of issues. In addition, the element must include an analysis of displacement risk and must still provide data, analysis, and conclusions. One resource for the displacement analysis is the Urban Displacement Project's Gentrification and Displacement maps: <https://www.urbandisplacement.org/los-angeles/los-angeles-gentrification-and-displacement>.

Local Data and Knowledge, and Other Relevant Factors: The element does not address this requirement. The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. 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. Also, the element must include other relevant factors that contribute to fair housing issues in the jurisdiction. The element should analyze historical land use and investment practices or other information and demographic trends such as this history of land use in Laguna Woods related to age restrictions and other conditions, covenants and restrictions that may have impeded housing choices and mobility.

Contributing Factors: The element must list and prioritize contributing factors to fair housing issues. The element is missing this requirement. Contributing factors create, contribute to, perpetuate, or increase the severity of fair housing issues and are fundamental to adequate goals and actions. Examples include community opposition to affordable housing, housing discrimination, land use and zoning laws, lack of regional cooperation, location and type or lack of affordable housing and lack of public or private investment in areas of opportunity or affordable housing choices. The analysis shall result in strategic approaches to inform and connect goals and actions to mitigate contributing factors to affordable housing.

Site Inventory: The element discusses the proposed sites relative to patterns of diversity and income but must also address the other components of the assessment of fair housing (e.g., disability status, familial status, access to opportunity, disproportionate housing need including displacement). In addition, the analysis should address the number of anticipated units by income group and how the sites identified improve conditions (or if sites exacerbate conditions, how a program can mitigate the impact).

Goals, Priorities, Metrics, and Milestones: Based on the outcomes of a complete analysis, the element must be revised to add or modify goals and actions. 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 should address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection. Given the history and nature of development patterns in the City, the element could focus on programs that enhance housing mobility and encourage development of more housing choices and affordable housing throughout the community.

For further guidance, please visit HCD's Affirmatively Furthering Fair Housing in California webpage at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

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).)*

Extremely Low-income Households (ELI): The element must quantify existing and projected ELI households and analyze their housing needs. The analysis should consider 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. The housing need for projected ELI households can be calculated by using available census data to determine the number of very low-income households that qualify as ELI households or presume that 50 percent of very low-income households qualify as ELI households. 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. *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: The element identifies the age of the housing stock. However, it must estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers/property managers, including non-profit housing developers or organizations. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

4. *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).)*

Aggregated Sites – Multiple Parcels Comprising Sites: Site 11 listed in the sites inventory is comprised of multiple parcels. While the element may aggregate parcels, it must also list each parcel-by-parcel number or unique reference, parcel size, zoning, general plan designation, describe any existing uses for any nonvacant sites, and include a calculation of the realistic capacity of each parcel. For additional information and sample sites inventory, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/inventory-of-land-suitable.shtml>.

Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory, it must also provide support for these assumptions. For example, the element should demonstrate what specific trends, factors, and other evidence led to the assumptions. The estimate of the number of units for each site must be adjusted as necessary, based on the land use controls, site improvements and typical densities of existing or approved residential developments at a similar affordability level.

In additions, the element must analyze the likelihood that the identified units will be developed as noted in the inventory in zones that allow nonresidential uses (e.g., mixed-use or overlays). The estimate must account for land use controls such as

allowing 100 percent nonresidential uses. To demonstrate the likelihood for residential development in nonresidential zones, the element could describe any performance standards mandating a specified portion of residential and any factors increasing the potential for residential development such as incentives for residential use, and residential development trends in the same nonresidential zoning districts. For example, the element could analyze all development activity in zones that allow 100 percent nonresidential uses, policies, and programs accordingly. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#zoning>.

Suitability of Nonvacant Sites: While the element identifies nonvacant sites to accommodate the regional housing need for lower-income households, the description provided regarding potential for redevelopment is inadequate. The element must further 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, and regulatory or other incentives or standards to encourage additional residential development on these sites. (Gov. Code, § 65583.2, subd. (g).) For nonresidential sites, the inventory could also describe whether the use is operating, marginal or discontinued, any presences of existing leases or other contracts that would perpetuate the existing use or prevent redevelopment and the condition of the structure or could describe any expressed interest in redevelopment. For additional information and sample analysis, see the Building Blocks at: <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#analysis>.

In addition, the housing element relies upon nonvacant sites to accommodate more than 50 percent of the Regional Housing Needs Allocation (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.

Infrastructure: While the element indicates could sufficiently support housing development, it should clarify sufficient existing or planned sewer infrastructure capacity to accommodate the RHNA. (Gov. Code, § 65583.2, subd. (b).)

Electronic Sites Inventory Form: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Sites with Zoning for a Variety of Housing Types:

- **Emergency Shelters:** The element should describe the development standards of the CF-P/I and CF/P zones that allow emergency shelters by-right, the capacity of these zones to accommodate the identified housing need for emergency shelters, the applicability of any spacing requirements, typical parcel sizes, whether the sites are nonvacant, and the potential capacity for adaptive reuse. In addition, the analysis should provide an analysis of proximity to transportation and services for these sites, hazardous conditions, and any conditions inappropriate for human habitability. Lastly, the element should analyze the “adequate” private living space requirement as a potential constraint for the development of emergency shelters and how emergency shelter parking requirements comply with AB 139 (Chapter 335, Statutes of 2019) or include a program to comply with this requirement.
- **Low-Barrier Navigation Center:** 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.
- **Employee Housing:** The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.6. 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. For additional information and sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/farmworkers.shtml>.
- **Accessory Dwelling Units (ADUs):** The element should specifically discuss the relationship of ADUs and the potential for conditions, covenants and restrictions precluding ADUs. The element should add or modify programs, if necessary, based on the outcomes of this analysis.

In addition, after a cursory review of the City’s ordinance, the department discovered several areas which were not consistent with State ADU Law. This includes, but is not limited to, not allowing ADUs in all zones that allow residential uses, allowing a homeowner’s association to regulate or prohibit accessory dwelling units, excessive development standards, maximum size restrictions. HCD will provide a complete listing of ADU non-compliance issues under a separate cover. As a result, the element should add a program to update the City’s ADU ordinance to comply with state law. For more information, please consult HCD’s ADU Guidebook, published in December 2020, which provides detailed information on new state requirements surrounding ADU development.

5. *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).)

Fees and Exaction: The element must describe all required fees for single family and multifamily housing development, including impact fees, and analyze their cumulative impact as potential constraints on housing supply and affordability. The analysis may utilize hypothetical projects such as those contemplated in the sites inventory for single family and multifamily development and should address the cumulative planning and impact fees per unit relative to total 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>.

Local Processing and Permit Procedures: While the element describes some local processing times, per the call between HCD and the City, the times given were based on nonresidential projects. The element should provide information on permit processing times for residential projects and must evaluate the processing and permit procedures' impacts as potential constraints on housing supply, affordability, timing, and approval certainty. For example, the analysis should consider processing and approval procedures for typical single family and multifamily developments, including type of permit, level of review, number of public hearings, approval findings and any other discretionary approval procedures.

In addition, Table D Housing Types Per Zoning Code (p. B-7) indicates that condominiums and apartments in zones permitting multifamily development require a conditional use permit (CUP). The element must analyze the CUP process as a potential constraint on housing supply and affordability. The analysis should identify findings of approval for the CUP and evaluate their impact on development approval certainty, timing, and cost. The element must demonstrate this process is not a constraint or it must include a program to address and remove or mitigate the CUP requirement.

Streamlined Ministerial Approval Permit Procedures: The element should describe the City's SB 35 (Chapter 366, Statutes of 2017) streamlined ministerial approval procedure and application and include programs if appropriate.

Zoning, Development Standards, and Fees: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards, and fees on the City's website and include programs if appropriate.

Codes and Enforcement: The element includes the City's building enforcement processes; however, it must also include any local amendments to the building code and analyze potential constraints on housing supply, cost, and affordability.

Constraints on Housing for Persons with Disabilities: The element must include a description and analysis of potential constraints on housing for persons with disabilities. Specifically:

- *Reasonable Accommodations:* The element must demonstrate the City has a reasonable accommodation procedure for providing exception in zoning and

land use and should describe and evaluate the typical findings for a reasonable accommodation request.

- *Group Homes for Seven or More Persons:* The element subjects group homes for seven to twelve persons to a CUP, unlike other similar uses. The element should specifically analyze these constraints for impacts on housing supply and choices, approval certainty and objectivity for housing for persons with disabilities and include programs as appropriate.
- *Definition of Family and Group Homes with Six or Fewer Persons:* The element should provide an analysis of potential constraints associated with the City's definitions of Community Care facilities. On page B-17, the element states, "The term 'family' includes the occupants of community care facilities serving six or fewer persons that are permitted or licensed by the State." However, the state does not license all community care facilities or group homes serving six or fewer persons. The element should describe where this definition is found in municipal code, provide clarification on this definition and update in the element, and include a program to rectify this definition if found in code.

Although local ordinances and policies are enacted to protect the health and safety of citizens and further the general welfare, the element should be utilized to periodically reexamine local ordinances and policies to determine whether, under current conditions, they are accomplishing their intended purpose or constituting a barrier to the maintenance, improvement, or development of housing for all income levels. Such an examination may reveal that certain policies have a disproportionate or negative impact on the development of particular housing types (e.g., multifamily) or on housing developed for low- or moderate-income households and persons with disabilities. Ordinances, policies, or practices that have the effect of excluding housing affordable to low- and moderate-income households may also violate state and federal fair housing laws that prohibit any land-use requirements that discriminate (or have the effect of discriminating) against affordable housing.

In cases where the analyses identify existing constraints, the housing element should include program responses to mitigate the effects. A determination should be made for each potential constraint as to whether it poses as an actual constraint.

6. *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).)*

Land Prices, Developed Densities and Permit Times: The element must be revised to include analysis of the price of land, requests to develop housing at densities below

those anticipated in the sites inventory and the length of time between receiving approval for a housing development and submittal of an application for building permits. The analysis must address any hinderances on the construction of a locality's share of the regional housing need.

7. *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 indicates there are no farming lands in the City and no farmworkers employed in fulltime farming occupations in Laguna Woods. However, farmworkers from the broader area and those employed seasonally may have housing needs, including within the City's boundaries. As a result, the element should at least acknowledge the housing needs of permanent and seasonal farmworkers at a county-level (e.g., using USDA county-level farmworker data) and include programs as appropriate.

8. *Analyze the opportunities for energy conservation with respect to residential development. (Gov. Code, § 65583, subd. (a)(8).)*

The element did not address this requirement. The element must include an analysis of energy conservation opportunities in residential development. The analysis should facilitate the adoption of housing element policies and programs. For example, programs could provide incentives to promote higher density housing along transit, encourage green building techniques and materials in new construction and remodels, promote energy audits and participation in utility conservation programs, and facilitate energy conserving retrofits upon resale of homes. For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/opportunities-for-energy-conservation.shtm> and HCD's *Green Building and Sustainability Resources* bibliography at http://www.hcd.ca.gov/hpd/green_build.pdf.

C. Housing Programs

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

As noted in Finding B4, 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.

If the element does not identify adequate sites to accommodate the regional housing need for lower-income households, it must include a program(s) to identify sites with appropriate zoning to accommodate the regional housing need within the planning period. (Gov. Code, § 65583.2, subd. (h) and (i).). While the element does include a rezone program (Program 1.1.1), the program must commit to:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a conditional use permit, planned unit development permit, or other discretionary review or approval;
- allow a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use; and
 - require residential use occupy 50 percent of the total floor area of a mixed-use project.

2. *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).)*

The element generally did not address this requirement. This is particularly important given the City has never facilitated the development of a publicly assisted housing and past zoning and land use systems may have stunted housing choices and mobility. The element must include a program(s) with specific actions and timelines to assist in the development of housing for lower and moderate-income households. These actions must specifically include extremely low-income and special needs households. The programs could commit the City to adopting priority processing, granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to lower and moderate-income households; assisting, supporting or pursuing funding applications; and working with housing developers coordinate and implement a strategy for developing housing affordable to lower and moderate-income households. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/program-requirements/assist-in-development-housing.shtml> and for financial assistance programs, see HCD's website at http://www.hcd.ca.gov/fa/LG_program_directory.pdf.

3. *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 B5 and B6, 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.

4. *Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action. (Gov. Code, § 65583, subd. (c)(4).)*

As noted in Finding B3, the element requires a complete analysis of housing stock conditions. Depending upon the results of that analysis, the City may need to revise or add programs to conserve and improve the existing affordable housing stock. In addition:

- Program 2.2.2 (Building Permit Fee Waiver): Consider expanding the building permit fee waiver for improvements to a home, regardless of age.
 - Program 3.2.2 (Tenant Assistance): Provide specific commitments, milestones, and measurable outcomes.
 - Program 3.2.3 (Hazard Mitigation Measures): Provide greater specificity, clear commitments and milestones, and measurable outcomes, including dates and milestones earlier in the planning period.
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 analysis of AFFH. Based on the outcomes of that analysis, the element must add or modify programs to have specific commitment, milestones and metrics and to enhance housing mobility strategies, encourage development of new affordable housing in high resource areas, improve place-based strategies, and protect residents from displacement.

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).)*

The element is required to include a program that incentivizes or promotes ADU development for very low-, low-, and moderate-income households. While the element includes Program 1.4.2 to prepare and maintain a webpage and flyer with information on ADUs in Calendar Year 2023, this is not sufficient to meet this requirement. Examples of actions include flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, fee waivers and more. Other strategies could include targeted advertising of ADU development opportunities or establishing an ADU specialist within the planning department.

In addition, as described in Finding B4, Program 1.4.1 (ADU Ordinance) should be revised based on the description of conditions, covenants and restrictions and precluding ADUs and to update the City's ADU ordinance to comply with State law.

D. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element did not address this requirement. The element must include quantified objectives estimating the number of housing units by income category, including extremely low-income that can be constructed, rehabilitated, and conserved over a five-year time period. This requirement could be addressed by utilizing a matrix like the one illustrated below:

Income	New Construction	Rehabilitation	Conservation/ Preservation
Extremely Low-			
Very Low-			
Low-			
Moderate-			
Above Moderate-			
TOTAL			

E. 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 City made effort to include the public through City Council meetings, moving forward, the City should employ additional methods for public outreach efforts, particularly including lower-income and special needs households, language accessibility at meetings, and providing alternative formats and venues for public input besides city council meetings. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income and special needs households in future public outreach efforts. In addition, the element should summarize public comments and describe how public comments were considered and incorporated into the housing element. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml>.

In addition, based on comments during our review call with City staff, HCD understands the City made the element available to the public only one week before its submittal to HCD. By not providing adequate time for the public to review and comment on a draft of the element in advance of submission, the City has not 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 the course of its review. The availability of the document to the public and opportunity for public comment at least two weeks prior to submittal to HCD is essential to the public process and HCD's review. 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.

F. Consistency with General Plan

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).)

The element did not address this requirement. The housing element affects a locality's policies for growth and residential land uses. The goals, policies and objectives of an updated housing element may conflict with those of the land-use, circulation, open space elements as well as zoning and redevelopment plans. The general plan is required to be "internally consistent." As part of the housing element update, the City should review the general plan to ensure internal consistency is achieved and should describe how internal consistency will be maintained throughout the planning period. In addition, The City should consider an internal consistency review as part of its annual general plan implementation report required under Government Code section 65400.