

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

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October 8, 2021

Nicholas Wells, City Manager
City of Holtville
121 W. 5th Street
Holtville, CA 92250

Dear Nicholas Wells:

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

Thank you for submitting the City of Holtville's (City) draft housing element received for review on August 10, 2021 along with revisions received on September 24, 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 conversation, on September 1, 2021, with you and consultants George Galvan, Francisco Barba, and Denise Marin.

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 is 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).

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 the hard work, dedication, and collaboration you, George Galvan, Francisco Barba, and Denise Marin provided during the 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 Jose Ayala, of our staff, at Jose.Ayala@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF HOLTVILLE

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 must include an evaluation of the cumulative effectiveness of programs in addressing the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness).

Additionally, the element describes programs that the City was not able to accomplish during the 5th cycle, but it has continued, without change, these programs into the 6th cycle housing element. However, programs in the 6th cycle should be adjusted based on the evaluation of past programs to address the lack of implementation. For example, the program could prioritize programs, move dates earlier in the planning period or seek external organizations and resources to assist with implementation.

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).)*

Enforcement and Outreach: The element provides general information regarding outreach and enforcement cases in the jurisdiction but limits the outreach component to outreach regarding the housing element update. The outreach component must fully describe the fair housing information outreach to residents, such as tenant protection information, fair housing discrimination information, amongst other potential outreach. Additionally, the element provides Fair Housing Enforcement and Outreach data from HCD's Data Viewer but should also provide information regarding the characteristics of fair housing cases, such as through local and/or regional providers.

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

Sites Inventory: The element must analyze how the sites listed in the inventory affirmatively further fair housing (AFFH). While general information is provided, the element should include a map of the sites and describe the number of units by income. Additionally, analysis on the magnitude of impact of these units should be analyzed to address whether identified sites exacerbate or improve patterns of segregation and integration.

Goals, Actions, 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 specific commitment, 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 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 (ELI) Households: While the element identifies the projected number of ELI households and some general information about tenure, 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 should analyze 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).)*

Progress in Meeting the Regional Housing Need Allocation (RHNA): The element indicates the approval of 44 very low-income, 44 low-income and 31 moderate-income

units toward the RHNA. In addition, the element should demonstrate affordability based on actual and anticipated sales price or rent levels or other mechanisms that ensure affordability (e.g., deed restrictions).

Small Sites: Sites less than 0.5 acres are deemed inadequate to accommodate housing for lower-income households unless analysis demonstrates the suitability of the sites for the development of housing affordable to lower-income households. For your information, the inventory contains several smaller sites without sufficient analysis to demonstrate their suitability and HCD did not utilize these sites as part of calculating the adequacy of sites to accommodate the RHNA for lower-income households. For additional information, see HCD's Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Electronic Site Inventory: For your information, 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.

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element identifies the R2 and R3 zones to permit emergency shelters without discretionary action. The element should also describe and analyze development standards as potential constraints. For example, the element should describe how emergency shelter parking requirements comply with AB139 or include a program to comply with this requirement.
 - *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.
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. Specifically, the element identifies minimum lot sizes for multifamily developments of one acre. However,

identified sites include sites smaller than the minimum lot size. The element should include analysis of this requirement that addresses any impacts on housing supply and choices. Based on the outcomes of this analysis, the element should add or modify programs to address identified constraints.

In addition, the element must describe whether an ordinance has been adopted in compliance with State Density Bonus Law pursuant to Government Code section 65915 or include a program as appropriate

Constraints on Housing for Persons with Disabilities: The element provides a general overview of the reasonable accommodation process, but it should also describe and analyze the actual reasonable accommodation procedure including approval findings.

Zoning Code and Fee Transparency: The element must provide information regarding the availability of zoning and development standards and fees on the City's website. This can be provided in the form of a narrative with a link to the City's website.

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... (Gov. Code, § 65583, subd. (a)(6).)*

Requests for Lesser Densities: The element must include analysis of requests to develop housing at densities below those identified in the inventory. The element must address any hinderance on the development of housing and include programs as appropriate.

6. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)*

While the element includes an analysis of assisted rental housing at-risk of converting to non-low income uses, it should also list qualified entities to preserve at-risk units. For more information, see HCD's website at <https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>.

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. Programs to be revised with discrete timelines include Programs 1 (First-time Homebuyer), 5 (Funding for Affordable Housing) and 8 (Tax Credit Rental Projects).

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, as noted on page 61, the element must have a program to review and update zoning to permit low barrier navigation centers in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660.

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).)*

The element must include programs to assist in the development of housing for special needs households (e.g., persons with disabilities, elderly, large households). In addition, specific commitment with timelines should be added to address the needs of farmworkers. For example, the element could commit to proactive actions to coordinate with non-profit developers, employers or service providers, and other related organizations, to explore funding and incentives and to identify specific development opportunities.

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 and B5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City will need to revise or add programs and address and remove or mitigate any identified constraints. In addition:

- *Definition of Family:* As noted in the element, the element should include a program to update the definition of family.
- *Residential Care Facilities:* As noted on page 60, the element should include a program to permit residential care facilities for seven or more persons in all residential zone. The program should specifically ensure zoning and procedures encourage these uses with objectivity and procedures that promote approval certainty.

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 include a complete assessment of fair housing. Depending on a complete analysis, the element must add or revise programs as appropriate.

6. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

Program 13 (At-Risk Preservation): In addition to working with Imperial Valley Housing Authority to inform tenants of their rights, the program should make specific commitment to comply with noticing requirements within 3 years, 12 months, and 6 months of the affordability expiration date (Gov. Code, § 65863.10, 65863.11 and 65863.13), coordinate with qualified entities and assist with funding or support funding applications

D. Public Participation

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

While the draft was made available to the public and a workshop and study session were conducted, future revisions and adoption of the housing element must employ additional methods, particularly for lower-income and special needs households. For example, the City may conduct targeted stakeholder interviews or establish a committee representative of lower-income households in public outreach efforts. Furthermore, the element must summarize public comments and describe how they were considered and incorporated into the element.

E. General Plan Consistency

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

The element must describe how the housing element is internally consistent with the rest of the general plan, including any information to demonstrate what was conducted to achieve and maintain internal consistency as part of this update. While the element describes this analysis was conducted in 2017 as part of the general plan update, it should also conduct this analysis as part of this housing element update. For additional information and a sample program, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/analysis-consistency-general-plan.shtml>.

F. Water and Sewer Priority

The housing element adopted by the legislative body and any amendments made to that element shall be immediately delivered to all public agencies or private entities that provide water or sewer services for municipal and industrial uses, including residential, within the territory of the legislative body. Each public agency or private entity providing water or sewer services shall grant a priority for the provision of these services to proposed developments that include housing units affordable to lower-income households. (Gov. Code, § 65589.7, subd. (a).)

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>.