

**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](http://www.hcd.ca.gov)



October 19, 2023

Andrew Myrick, Manager  
Department of Economic Development and Community Planning  
City of Seaside  
440 Harcourt Avenue  
Seaside, CA 93955

Dear Andrew Myrick:

**RE: City of Seaside 6<sup>th</sup> Cycle (2023-2031) Draft Housing Element**

Thank you for submitting the City of Seaside's (City) draft housing element received for review on July 21, 2023, along with revisions received on October 12, 2023. 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 12, 2023, with you, Alexia Rapoport, Housing Program Manager, and Consultants Alexis Bueno and Veronica Tam. In addition, HCD considered comments from David Kellogg, LandWatch, and Michael DeLapa 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 (Gov. Code, § 65580 et seq). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

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. Please be aware, that any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (December 15, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA) shall be

completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). 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). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

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 Affordable Housing and Sustainable Communities program, 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: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the cooperation and support you and Alexia Rapoport, Housing Program Manager provided during the housing element update and 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 Clare Blackwell, of our staff, at [Clare.Blackwell@hcd.ca.gov](mailto:Clare.Blackwell@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager

Enclosure

## APPENDIX CITY OF SEASIDE

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

### **A. 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))*

Displacement: While the element identifies populations vulnerable to displacement within the City, it should utilize additional data sources for the analysis that reflect more recent trends of displacement vulnerability. Please see HCD's Affirmatively Furthering Fair Housing (AFFH) Data Viewer for an additional data source. In addition, the element should analyze displacement risk relative to disproportionate housing needs (e.g., overcrowded and cost-burdened households), and consider other factors that may contribute to increased displacement concerns. Based on the results of a complete analysis, the element should add or revise programs to address any identified need for displacement protection.

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).)*

Progress in Meeting the Regional Housing Need Allocation (RHNA): The City's RHNA may be reduced by the number of new units built, approved, or pending (pipeline) since June 30, 2023; however, the element must demonstrate their availability or likelihood of completion in the planning period. While the element provided some information on the timing of the Campus Town Specific Plan, it did not include any information on the Enclave at Cypress Grove and Parker Flats projects. Availability should address the status, anticipated completion, any barriers to development and other relevant factors such as build-out horizons, phasing, and dropout rates to demonstrate the availability or likelihood of development in the planning period. Lastly, given the element's reliance on pipeline projects, the element must include programs with actions that commit to

facilitating development and monitoring approvals of the projects (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals, rezoning or identification of additional sites should the applications not be approved).

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. While the element lists several factors such as age of structure and low improvement to land value ratios, to address this requirement, the element should expand the site-by-site discussion to include additional factors demonstrating the potential for redevelopment. The element can summarize past experiences converting existing uses to higher density residential development, include current market demand for the existing use, provide analysis of existing leases or contracts that would perpetuate the existing use or prevent additional residential development and include current information on development trends and market conditions in the City and relate those trends to the sites identified. The element could also consider indicators such as expressed developer interest in residential development, degree of underutilization, and other factors.

Zoning for Lower-Income Households: The element appears to be utilizing state legislation (SB 4) as a proxy for available local zoning to accommodate the Regional Housing Needs Allocation (RHNA). However, this does not satisfy the requirement that the City demonstrate adopted densities to accommodate the need for lower-income households (Government Code section 65583.2, subdivision (c)(3)). Further, zoning available under state legislation is conditional and must meet various eligibility requirements. At the least, if zoning was not available prior to the start of the planning period (December 15, 2023) and SB 4 was not in effect prior to the planning period, then the City should make zoning available, including appropriate development standards, to accommodate the RHNA. Particularly, any zoning that was not made available prior to the start of the planning period to accommodate the lower-income RHNA must address all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). As a result, the element must list sites by local zoning and general plan designations and if necessary, add or modify programs to accommodate a shortfall of adequate sites, including addressing by-right requirements.

Infrastructure: The element describes infrastructure limitations in the City. However, it must also demonstrate sufficient total dry utility capacity (existing and planned) to accommodate the City's regional housing need for the planning period. (Gov. Code, § 65583.2, subd. (b).) In addition, the element must clarify whether there is sufficient water set-aside to accommodate the projected number of Accessory Dwelling Units (ADUs). For additional information, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-sites-and-zoning>.

In addition, while the element includes Program 21 (Adequate Water Supply for the Development of New Housing) to maintain and augment the existing water supply, the program should be revised to include discrete timelines for implementation throughout the planning period.

Finally, HCD received comments regarding the transfer of water outside of the MCWD service district. The element should clarify any impact on identified sites and pipeline projects, including the Campus Town project, and add a program, if necessary, that will commit to frequent monitoring (every other year) and appropriate alternative actions.

#### Zoning for a Variety of Housing Types:

- *Emergency Shelters*: While the element provides general information on emergency shelters, it must also describe how it complies with the requirements of Assembly Bill 2339 (2022). Among other changes, this amendment to Government Code section 65583, subdivision (a)(4) expands the definition of “emergency shelters”, specifies the type of zoning designations that must be identified to allow emergency shelters as a permitted use without a conditional use or discretionary permit, and demonstrate the appropriateness of sites to accommodate emergency shelters.
  - *Accessory Dwelling Units (ADU)*: The element notes that the City’s ADU ordinance was updated in March 2023, came effective in April 2023, and was submitted to HCD for review. Given the ordinance has not been reviewed to date, the element should include a program to amend the ordinance, if necessary, to comply with ADU law within a specified time period upon HCD’s review.
3. *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... ..local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Local Processing and Permit Procedures: The element lists several findings required to obtain a use permit that include potential subjectivity, including findings of approval relating to public interest and convenience. However, the element should analyze these standards for impacts on project timing, cost, supply, and approval certainty and include programs to address identified constraints.

In addition, the element states (App. 66) that the City does not have specific multifamily design guidelines and generally applies the single-family design guidelines to multifamily development. The element should clarify how design guidelines are applied to multifamily development and discuss any impacts on project timing, cost, supply, and approval certainty.

Constraints on Housing for Persons with Disabilities: The element briefly describes its reasonable accommodation procedures including approval findings related to compatibility with existing and planned land uses. However, this finding is generally similar to a conditional use permit finding and beyond the scope of a reasonable accommodation procedure. The element should identify this approval as a constraint and add or modify program(s) to amend the reasonable accommodation procedure to remove the constraint.

4. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... 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... (Gov. Code, § 65583, subd. (a)(6).)*

Developed Densities and Permit Times: While the element includes a brief discussion of approval times and requests for lesser densities (App. 35-36), it generally does not address this requirement. The element must include an analysis of requests to develop housing at densities below those identified in the inventory, and the length of time between receiving approval for a housing development and submittal of an application for building permits. The element must address any hindrance to the development of housing and include programs as appropriate.

## **B. 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 A1 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.

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).)*

While the element includes Program 11 to assist in the development of housing for extremely low-income (ELI) and special needs households, the program must be revised to include additional actions and commitments. The program(s) could commit the City to granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to ELI and special needs households, assisting, supporting, or pursuing funding applications, and outreach and coordination with affordable housing developers.

For additional information, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/assist-development-housing>.

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 A2 and A3 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. In addition, the element should be revised as follows:

- Program 18 (Parking Standards) should be revised with a discrete timeline to review parking requirements and should identify specific considerations for amendments to parking standards.
- Program 22 (Planning and Development Fees) should be revised with a discrete timeline to review planning and development fees and should identify specific fees to be evaluated.

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

As noted in Finding A1, the element requires a complete AFFH analysis. Depending upon the results of that analysis, the City may need to revise or add programs.