

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

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April 12, 2021

Christopher Jordan, Director
Strategic Planning and Innovation
City Manager's Office
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

Dear Christopher Jordan:

RE: Review of the City of Elk Grove's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Elk Grove's (City) draft housing element update received for review on February 12, 2021, along with revisions received on March 25, 2021. The California Department of Housing and Community Development (HCD) also received revisions on April 5, and 6, 2021 but did not consider these revisions due to timing in the review period. Pursuant to Government Code section 65585, subdivision (b), HCD is reporting the results of its review. Our review was facilitated by a telephone conversation on March 22, 2021 with you and consultant Cynthia Walsh. In addition, HCD considered comments from Sacramento Housing Alliance and Legal Services of Northern California pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, the following revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code).

1. *Government Code section 65583, subdivision (a)(1), requires "Documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including extremely low-income households."*

Extremely low-income: The element must quantify existing and projected extremely low-income (ELI) households and analyze their housing needs. The element includes some basic information on ELI households. However, the element must also analyze characteristics such as overpayment and other housing situations; resources available to address the needs; effectiveness of past efforts and summarize the overall housing need and issues to better inform programs. 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>

2. *Affirmatively further fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2. The program shall include an assessment of fair housing... (Gov. Code, § 65583, subd. (c)(10)(A)).*

Affirmatively Furthering Fair Housing (AFFH): The element includes a variety of information and analysis related to affirmatively furthering fair housing; however, additional information is necessary to address this requirement, as follows:

- *Disproportionate Housing Need*: While the element includes discussion on trends and patterns related to overpayment, it should include similar information for overcrowding and address displacement risks compared from neighborhood to neighborhood and relative to the region.
 - *Other Relevant Factors*: The element should include a discussion of other relevant factors as part of evaluating patterns and trends, policies and practices and other factors that lead to fair housing issues. Other relevant factors should consider information beyond data that identifies and compares concentrations of groups with protected characteristics. Examples of other relevant factors include changes and barriers in zoning and land use rules, presence and history of place-based investment and mobility option patterns and outreach and community engagement. This discussion should also incorporate the public participation process.
 - *Local Data and Knowledge*: 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 and data from local and regional advocates and service providers.
 - *Goals and Actions*: 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 enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection. HCD will send examples under separate cover.
3. *The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter... (Gov. Code, § 65583, subd. (a)(4)(A)).*

Emergency Shelters: The element includes some general information about acreage in the General Commercial zone but should also identify the number of parcels, typical parcels sizes and potential capacity for adaptive reuse. Additionally, the element should describe development standards such as limits on the number of beds. The element must include programs as appropriate based

on the outcomes of this analysis. For additional information and a sample analysis, see the *Building Blocks* at http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb2_memo050708.pdf.

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).)*

Design Guidelines: The element includes a description of different design principles and standards and efforts to streamline timing; however, it must also evaluate the process for potential impacts on approval certainty and include programs as appropriate. For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/processing-permitting-procedures.shtml>.

5. *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).)*

Programs must be added or modified to achieve the goals and objectives of the housing element, including but not limited to:

Action 2 (Rezone Housing Sites): To address the regional housing need for lower-income households, the element includes a program to rezone sites up to 30 units per acre or 25 units per acre concurrent with adoption of the element. HCD understands the City is adopting prior to the beginning of the planning period (May 15, 2021). For your information, if these sites are not rezoned prior to the beginning of the planning period and if rezoning is necessary to accommodate a shortfall of adequate sites in the planning period, sites must permit housing by right pursuant to Government Code sections 65583, subdivision (c)(1) and 65583.2, subdivisions (h) and (i). In addition, if relying on sites with zoning allowing less than 30 units per acre to accommodate the housing needs of lower-income households, the element must include an analysis pursuant to Government Code section 65583.2, subdivision (c).

Action 14 (Transitional and Supportive Housing): Prior to the March 25 revisions, this program committed to amend zoning to permit permanent supportive housing by right pursuant to Government Code section 65651. This commitment has since been deleted and should either be returned, or the element should demonstrate zoning in compliance with Government Code section 65651.

Action 16 (Development Incentives): This program must be revised to proactively reach out to developers on an annual basis to better achieve the goals of the program.

Action 19 (Affirmatively Furthering Fair Housing): While Action 19 takes a meaningful approach on several AFFH topics, the Action should provide more discrete timelines. For example, the element must commit to a date certain for amending zoning to permit residential care facilities of 7 or more in the same way that other residential dwellings are permitted.

ADU Incentive Program: The element must include a program to incentivize and promote the creation of accessory dwelling units (ADU) that can be offered at affordable rent pursuant to Government Code section 65583, subdivision (c)(7). While Action 21 (Innovative Housing Options) commits to providing several new innovative housing options, the element must also commit to provide incentives. In addition, Action 21 should commit to update the City's ADU ordinance by a date certain.

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

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 May 15, 2021 for Sacramento Area 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 our website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf

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 must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

Specifically, HCD accepted revisions to the draft element on March 25, 2021, fairly late in the review period. The City must proactively make these revisions available to the public, including commenters on this review and diligently consider and address comments, including revisions to the document where appropriate. Consideration of comments must not be limited by HCD's findings in this review letter.

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#element> 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.

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 your hard work and dedication and the effort everyone involved provided in preparation of the City's housing element. If you have any questions or need additional technical assistance, please contact Irvin Saldana, of our staff, at Irvin.Saldana@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 last name "West" clearly distinguishable.

Shannan West
Land Use & Planning Unit Chief