DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

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March 12, 2021

Colleen McDuffee, Director Community Development Department City of Citrus Heights 6360 Fountain Square Drive Citrus Heights, CA 95621

Dear Colleen McDuffee:

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

Thank you for submitting the City of Citrus Heights' (City) draft housing element received for review on January 14, 2021, along with revisions received on March 5 and 10, 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 March 1, 2021 with Casey Kempenaar, Planning Manager and Eric Singer, Assistant Planner. In addition, HCD considered comments from Sacramento Housing Alliance 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. 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)).

The element, among other things, must include outreach, an 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. For more information, please contact HCD and visit https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml.

 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).).

<u>Sunrise Tomorrow Plan</u>: The element generally relies on pending development, anticipated accessory dwelling units (ADUs) and the Sunrise Tomorrow Plan to accommodate the regional housing need allocation, particularly for lower-income households. To demonstrate adequate sites, the element must include additional information and analysis regarding the Sunrise Tomorrow Plan, as follows:

- Parcel Listing: The element lists various parcels for the Sunrise Tomorrow Specific Plan but should also list the acreages of each parcel. The element must also list the existing uses for each of the parcels sufficiently to demonstrate the potential for redevelopment in the planning period and the extent existing uses impede development.
- Realistic Capacity: The element assumes residential development on sites
 potentially zoned for non-residential uses. To support this assumption, the
 element must include analysis to demonstrate the likelihood for residential
 development, especially given the zones are intended for non-residential
 uses. The analysis may be based on factors such as development trends,
 performance standards or other relevant factors. 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.
- Large Sites: If necessary, to accommodate the regional housing need for lower-income households, the element must include an analysis demonstrating the suitability of large sites to accommodate the housing needs of lower-income households. Sites larger than 10 acres in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing (Gov. Code, § 65583.2, subds. (c)(2)(A) and (c)(2)(C).).
- Available Zoning: The element must demonstrate the availability and appropriateness of zoning to accommodate housing for lower-income households. If zoning is not appropriate or available, the element must include a program to rezone sites. If sites and zoning are not sufficient to accommodate the regional housing need for lower-income households, the element, amongst other things, must include a program to rezone sites to permit multifamily without discretionary action pursuant to Government Code section 65583, subdivision (c)(1).
- Banked Sites: The element lists a bank of sites to assist the City in maintaining adequate sites throughout the planning period pursuant to Government Code section 65863 (i.e., No Net Loss Law). To utilize these sites, the element should list and analyze the sites to demonstrate

suitability for development and meet all components pursuant to Government Code section 65583.2.

3. 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).).

The element must include a schedule of actions (program) to achieve the goals and objectives of the housing element. To address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials.

In addition, as noted in the element, the schedule of actions must include programs to facilitate a variety of housing types and address potential governmental constraints, including but not limited to:

- Transitional and Supportive Housing (Gov. Code, § 65583, subd. (c)(3).)
- Employee Housing (Health and Safety Code, § 17021.5.)
- Emergency Shelters (Gov. Code, § 65583, subd. (a)(4).)
- Parking (Gov. Code, § 65583, subd. (a)(5).)
- Low Barrier Navigation Centers (Gov. Code, § 65660.)
- By-right Permanent Supportive Housing (Gov. Code, § 65650.)
- Reasonable Accommodation (Gov. Code, § 65583, subd. (c)(3).)
- Accessory Dwelling Units (Gov. Code, § 65583, subd. (c)(7).)
- 4. 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 a program(s) with specific actions and timelines to assist in the development of housing for extremely low-income and lower-income households and households and individuals with special needs (e.g., farmworkers, persons experiencing homelessness, persons with disabilities, including developmental). The program(s) could commit 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.

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 1, the element must include a complete analysis of affirmatively furthering fair housing. Based on the outcomes of that analysis, the element must add or modify programs.

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

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.

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 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

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 hard work and dedication of Casey Kempenaar, Planning Manager and Eric Singer, Assistant Planner in preparation of the City's housing element. Their professionalism and cooperation have helped Citrus Heights make strong progress towards meeting statutory requirements. HCD applauds their diligence and looks forward to assisting the City with further revisions and adoption. If you have any questions or need additional technical assistance, please contact Hillary Prasad, of our staff, at https://hillary.Prasad@hcd.ca.gov.

Sincerely,

Shannan West

Land Use & Planning Unit Chief