

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

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January 27, 2023

Sharon Goei, Director  
Community Development Department  
City of Gilroy  
7351 Rosanna Street  
Gilroy, CA 95020

Dear Sharon Goei:

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

Thank you for submitting the City of Gilroy's (City) draft housing element update received for review on October 31, 2022. 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 January 18, 2023. In addition, HCD considered comments from YIMBY Law and Greenbelt Alliance, YIMBY Law and Campaign for Fair Housing Elements, Housing Action Coalition (Via a meeting), and Silicon Valley at Home, 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.

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 (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline pursuant to Government Code section 65583, subdivision (c)(1)(A) and Government Code section 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.

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, 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.

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: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Connor Finney, of our staff, at [Connor.Finney@hcd.ca.gov](mailto:Connor.Finney@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager

Enclosure

## APPENDIX CITY OF GILROY

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).)*

Fair Housing Enforcement and Capacity: The housing element must include a summary of fair housing enforcement and outreach capacity. The analysis must address how the City complies with state and federal fair housing laws, including regulations, lawsuits, and related enforcement actions. The element should also quantify local complaints and discuss characteristics relative to protected characteristics (e.g., disability, race, familial status)

Segregation and Integration (Income): The element discusses areas of higher concentration of lower and moderate-income households and poverty, including coincidences with race. However, the element should also consider American Community Survey data for income categories related to median incomes and discuss areas of relatively higher income then expand the discussion of income using local data and knowledge as well as other relevant factors like zoning and land use.

Racially and Ethnically Concentrated Area of Poverty (RECAP): While the element identifies the RECAP and discusses some current efforts such as the environmental justice element, it should expand the discussion of this area to better formulate appropriate policies and programs. For example, the element could examine and compare the quality of life relative to other neighborhoods (e.g., parks, streetscapes, schools, safe routes to schools, infrastructure, community amenities, housing conditions, neighborhood conditions).

Disproportionate Housing Needs: The element includes some general information on persons experiencing homelessness and housing conditions but should also evaluate those needs, impacts and patterns within the City, such as areas of higher need. For

homelessness, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. For housing conditions, the element should discuss any areas of potentially higher needs of rehabilitation and replacement. The element may utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.

Affirmatively Furthering Fair Housing (AFFH) and Identified Sites: The element includes some discussion of identified sites to accommodate the regional housing needs allocation (RHNA) and fair housing conditions. For example, the element discusses the low and moderate-income RHNA in areas of higher concentrations of lower and moderate-income households. But the discussion should address the RHNA for all income categories by location instead of fair housing categories to better evaluate whether identified sites exacerbate or improve fair housing conditions. The discussion should also quantify the RHNA by income group and location and evaluate impacts on existing patterns. For example, the element could quantify the lower, moderate and above moderate-income RHNA in the central eastern part of the City, discuss impacts on the existing number of households relative to socio-economic characteristics (e.g., income, TCAC resource, overpayment, displacement) and then evaluate whether the inventory exacerbates or improves fair housing conditions. This same analysis should be performed for the northwestern and other parts of the City.

Local Data and Knowledge: 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, City staff and related local and county planning documents.

Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues in the City. For instance, the element can analyze historical land use (zoning, ballot initiatives, growth controls), information about redlining/greenlining, disinvestment, and other issues that impacted socio-economic patterns complemented by the state and federal data.

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element should re-assess contributing factors and particularly prioritize those factors then formulate appropriate policies and programs.

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).)*

*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).)*

*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).)*

Extremely Low-Income (ELI) Households: The element (p. 71) reports that approximately 80 percent of ELI households experience housing problems then, with no further discussion, concludes the City is preparing an inclusionary requirements and density bonus ordinance. While inclusionary and density bonuses can be meaningful policies, the element should examine the needs of ELI households to better formulate policies and programs. The analysis should evaluate tenure, overcrowding, overpayment, disproportionate impacts relative to other income groups, resources, past strategies and their effectiveness and magnitude of housing needs.

Housing Conditions: The element discusses housing units by age, number of units lacking plumbing and kitchen facilities and recent code enforcement activities but should still estimate (City-wide) the number of units in need of rehabilitation and replacement.

Special Housing Needs: While the element includes some quantification of special housing needs, it must still analyze those needs. The analysis should include, but is not limited to, factors such as trends, household income, tenure, housing types, zoning, available resources, effectiveness of past strategies and an evaluation of the magnitude of the need. Local officials, special needs service providers, or social and health service providers may be able to assist with information to complete the analysis.

In addition, the analysis should quantify the number of persons with developmental disabilities as well as update homelessness numbers from the most recent PIT count.

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 toward the RHNA: While the element may utilize constructed, permitted, approved and pending projects toward the RHNA, it must also demonstrate their availability in the planning period. Availability should confirm the projects have not been reported before the beginning of the projection period (June 30, 2022) and account for the likelihood of project completion in the planning period, including the status, necessary steps to issue permits, any barriers to development, phasing, build-out horizons, dropout rates and other relevant factors.

Realistic Capacity: Where zoning allows 100 percent nonresidential uses, the calculation of residential capacity should account for the likelihood of 100 percent nonresidential development. For example, the element could analyze all development activity in nonresidential zones allowing 100 percent nonresidential uses, how often

residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. This analysis may incorporate any proposed policies such as residential performance standards, prohibition of commercial uses and should clarify that all zones allow residential uses, particularly 100 percent residential uses.

Suitability of Nonvacant Sites: The element must demonstrate the potential for additional development on nonvacant sites. While the element (p. 181) notes recent trends on sites with existing uses and includes general descriptions of nonvacant sites, it should evaluate the extent existing uses impeded additional development and demonstrate the potential for redevelopment in the planning period, including sites identified in prior planning periods. The analysis should address market demand for the existing use and existing leases, contracts or other conditions that would perpetuate the existing use or prevent additional residential development. The element should include a discussion of why the uses will likely discontinue or be redeveloped in the planning period and should consider additional indicators of the potential for redevelopment such as age and condition of the existing structure, expressed developer or property owner interest, existing versus allowable floor area, and other factors.

In addition, based on public comments, the inventory may contain sites with existing uses that are labeled as vacant. The element should make corrections, as appropriate.

Replacement Housing Requirements: If the sites inventory identifies sites with existing residential uses, the element must include a replacement housing program for units affordable to lower-income households Pursuant to Government Code section 65583.2, subdivision (g). Absent a replacement housing program, these sites are not adequate sites to accommodate lower-income households. The replacement housing program has the same requirements as set forth in Government Code section 65915, subdivision (c) (3).

Zoning for Moderate and Above Moderate-income Households (AB 725): For jurisdictions that are considered Metropolitan, pursuant to Government Code section 65583.2, subdivision (c)(4), the element must identify at least 25 percent of the remaining moderate and above moderate RHNA on sites that allow at least four units of housing (e.g., four plex or greater).

Environmental Constraints: While the element generally describes environmental conditions, it should also describe how those conditions relate to identified sites and evaluate any other known conditions (e.g., shape, easements, contamination) that could preclude or impact housing development on identified sites in the planning period.

Accessory Dwelling Units (ADU): While the element demonstrates a sufficient methodology to utilize ADUs toward the RHNA, the figures differ from HCD's records. HCD records show no ADUs reported in 2018 and 13 ADUs reported in 2020. The City should reconcile these differences either in the element or correcting the annual progress reports pursuant to Government Code section 65400.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), 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](mailto:sitesinventory@hcd.ca.gov). HCD has not received a copy of the electronic inventory. Please note, 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/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov) for technical assistance.

Zoning for a Variety of Housing Types:

- *Emergency Shelters*: Zoning to permit emergency shelters without discretionary action was required within the first year of the 4<sup>th</sup> cycle planning period. The element appears to explain that zoning to permit emergency shelters without discretionary action is not available. If this is the case, the element cannot be found in compliance until the appropriate zoning is established since the first year in the 4<sup>th</sup> cycle of the planning period has lapsed. In addition, the element commits to amend the R4 zone and mentions approximately 10 acres available to accommodate the need for emergency shelters. However, how this acreage overlaps with capacity to accommodate the RHNA is unclear and the element should include specific discussion of available capacity to accommodate the need for emergency shelters separate from capacity to accommodate the RHNA. The analysis of capacity should also address typical parcel sizes and proximity to transportation and services. If necessary, the element should consider additional zones. Finally, the element should specifically list development standards, identify any potential constraints, including parking and specifically commit to address constraints in Program E-3 (Emergency Shelters Zoning).

For your information, statute was recently amended to specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Future submittals may need to address these requirements. For more information and applicable timing, see HCD's AB 2993 memorandum at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

- *Transitional and Supportive Housing*: Transitional housing and supportive housing must be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).) The City appears to subject transitional and supportive housing for seven or persons to a conditional use permit, unlike other residential uses. The element must either clarify transitional and supportive housing standards are permitted in compliance with statutory requirements or add or revise programs to comply with the statutory requirements.
- *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).)*

*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 in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to parking, heights, lot coverage, allowable density ranges and development standards for the Downtown Specific Plan by zone. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities.

In addition, the element concludes the City complies with State Density Bonus Law (SDBL) pursuant to Government Code section 65915 but should include a discussion to support this conclusion or add or modify programs to comply with SDBL. For example, the element should discuss application requirements, decision-making criteria and consistency with various benefits under SDBL such as density bonuses, concessions and incentives, development standard modifications and parking reductions.

Accessory Dwelling Units (ADUs): The element indicates the City modifies its zoning code to ease barriers to the development of ADU's. However, 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, excessive development standards, requiring existing dwellings to correct nonconforming zoning conditions prior to approval of and ADU, maxim and minimum size restrictions, allowing additional conditions to be imposed by the City Manager, among others. The Department will provide a complete listing of ADU noncompliance 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.



Building Codes: The element should identify and evaluate any local amendments to the building code for impacts on housing costs.

Fees and Exaction: The element provides a cumulative analysis of fees on various housing types but should also list all the various planning and impact fees, including to better evaluate the impacts on housing development costs. The element should also include a specific analysis on ADU impact fees as a constraint to ADU production.

On/Off Site Improvements: The element states the City requires on and off-site improvements but should also identify subdivision level improvement requirements for a typical development, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and cost. For additional information and a sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards>.

Local Processing and Permit Procedures: The element lists procedural steps for permits but should also analyze the procedures for a typical single family and multifamily development complying with zoning. The analysis should address the approval body, the number of public hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing supply (number of units), cost, feasibility, timing and approval certainty.

Constraints on Housing for Persons with Disabilities: The element should analyze potential constraints on housing for persons with disabilities, as follows:

- *Reasonable Accommodation:* The element describes the reasonable accommodation procedure (p. 158) but should specifically analyze decision-making criteria such as approval findings. For example, the procedure includes a decision-making factor of potential impacts on surrounding uses – a conditional use permit (CUP) finding which can act as a constraint. The element should analyze this factor and add or modify programs to address the constraint.
- *Group Homes:* The element indicates group homes for six or less persons and seven or more persons are excluded from the A zone, unlike single family uses. The element should analyze this as a constraint and include a program to address the constraint. Additionally, group homes for seven or more persons are subject to a CUP. The element should analyze the CUP requirement and add or modify programs to address the constraint.

Nongovernmental Constraints: The element should include a discussion about requests for development at lesser densities than assumptions in the sites inventory. In addition, the element should include a discussion of the typical time between entitlement approval and requests for building permits. The discussion should address any

hinderances on housing development and programs should be added as appropriate to address constraints.

5. *An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system. (Gov. Code, § 65583, subd. (a)(8).)*

Energy Conservation: The element must include 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 <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/opportunities-energy-conservation>.

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

The analysis of at-risk unit must estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately and does not have to contain a project-by-project cost estimate. The analysis should also reconcile the number of at-risk units with HCD's records. HCD will send a list of at-risk properties under separate cover.

## **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 A3, 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, the element should be revised, as follows:

- *Program A-2 (City-owned Lands)*: The Program should go beyond reviewing parcels and commit to a schedule of actions to facilitate development, including numerical objectives.
- *Program E-3 (Emergency Shelter Zoning)*: The Program should be modified with specific commitment to amend zoning based on the outcomes of a complete analysis as noted in Finding A3. Specific commitment includes listing the actual standards that will be revised. In addition, the Program should specifically commit to permit emergency shelters without discretionary action.

2. *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) to assist in the development of housing affordable to lower-income households, including extremely low-income (ELI) and special needs households, as follows:

- *Program D-4 (Pursue Funding for Affordable Housing)*: The Program should specifically commit to annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing funding, incentives and concessions beyond SDBL, fee waivers and priority processing.
- *Extremely Low-income and Special Needs Households*: Programs must be revised or added to assist in the development of housing for ELI and special needs households. Program actions could include assisting with funding applications, prioritizing some funding for housing developments, offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units. For additional information, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs>.
- *Farmworkers*: the element should include specific commitment to address the needs of farmworkers. For example, the element could commit to proactive actions to coordinate with nonprofit developers, employers, and other related organizations, to explore funding and incentives and to identify specific development opportunities.

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 Finding A4, 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. *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 must include a complete analysis of AFFH. The element must be revised to add 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, milestones, geographic targeting and metrics or numeric objectives and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity or income areas, place-based strategies toward community revitalization and displacement protection.

5. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

Program A-6 (ADU Tracking and Monitoring): While the Program commits to annually track ADU production, it should also track ADU affordability and should include discrete timing and specific commitment if ADU assumptions are not realized such as committing to additional incentives and rezoning within six months.

## **C. 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).)*

While the element includes quantified objectives for new construction, rehabilitation, and conservation by income group; it should consider quantified objectives for conservation (beyond at-risk preservation). For your information, the quantified objectives do not represent a ceiling, but rather set a target goal for the City to achieve, based on needs, resources, and constraints.

#### **D. General Plan Consistency**

*In construing the provisions of this article, the Legislature intends that the general plan and elements and parts thereof comprise an integrated, internally consistent and compatible statement of policies for the adopting agency. (Gov. Code, § 65300.5)*

While the element discusses how internal consistency will be achieved with other elements of the general plan as part of the housing element update, it should also discuss how internal consistency will be maintained throughout the planning period. For example, the element could include a program to conduct an internal consistency review of the General Plan as part of the annual General Plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element. For additional information and a sample program, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-consistency-general-plan-and-coastal-zone-requirements>.

#### **E. 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)*

Program E-1 (Priority Water and Sewer Service): If the City is the water or sewer provider, the Program should specifically commit to establish a written procedure to grant priority service to developments with units affordable to lower-income households. In addition, local governments are required to immediately deliver the housing element to water and sewer service providers.

#### **F. 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)(9).)*

While the element includes a general summary of the public participation process, it must also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/public-participation>.