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

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September 3, 2021

Christina Taylor, Director Department of Community Development City of Beaumont 550 E. 6<sup>th</sup> Street Beaumont, CA 92223

Dear Christina Taylor:

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

Thank you for submitting the City of Beaumont's (City) draft housing element received for review on July 1, 2021, along with revisions related to affirmatively furthering fair housing (AFFH) on August 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.

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.

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 October 15, 2021 for Southern California Association of Governments (SCAG) 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 HCD's website at: <a href="http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375">http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375</a> 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 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.

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 is committed to assisting Beaumont in addressing all statutory requirements of State Housing Element Law and appreciates your efforts as well as consultants Jennifer Murillo and David Bergman provided in the preparation of your draft element. If you have any questions or need additional technical assistance, please contact Chelsea Lee at Chelsea.Lee@hcd.ca.gov

Sincerely,

Shannan West Land Use & Planning Unit Chief

**Enclosure** 

# APPENDIX CITY OF BEAUMONT

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 <a href="http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml">http://www.hcd.ca.gov/community-development/housing-element-memos.shtml</a>. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at <a href="http://www.hcd.ca.gov/community-development/building-blocks/index.shtml">http://www.hcd.ca.gov/community-development/building-blocks/index.shtml</a> 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 provide an explanation of the cumulative effectiveness of actions 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).

#### B. Housing Needs, Resources, and Constraints

 An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing 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).)

<u>Extremely Low-Income Households (ELI)</u>: While the element quantifies existing and projected ELI households, it must also analyze their housing needs. For example, the element could analyze trends, tenure, cost burden, overcrowding and other household characteristics then examine the availability of resources to determine gaps in housing needs. For additional information, see the Building Blocks at <a href="http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml">http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml</a>.

<u>Housing Conditions</u>: The element identifies the age of the housing stock. However, it must include analysis of the condition of the existing housing stock and estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from other organizations. For additional information, see the Building Blocks at <a href="http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml">http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml</a>.

2. Affirmatively further[ing] fair housing (AFFH) 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).)

HCD received revisions to address requirements related to AFFH on August 24, 2021. HCD was not able to consider these revisions within this review but will provide informal feedback under separate cover. For further guidance, please visit HCD's AFFH in California webpage at <a href="https://www.hcd.ca.gov/community-development/affh/index.shtml">https://www.hcd.ca.gov/community-development/affh/index.shtml</a>.

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).)

Regional Housing Needs Allocation (RHNA) Progress: The City's RHNA may be reduced by the number of new units pending, approved, permitted or built since July 1, 2021, by demonstrating availability and affordability based on rents, sale prices or other mechanisms ensuring affordability (e.g., deed restrictions). The element lists 48 units affordable to lower-income households (p. B-5) but must also demonstrate affordability as described above.

<u>Parcel Listing</u>: The element lists parcels by various statutory factors such as size and zoning. However, the listing must also identify sites by general plan designation.

Realistic Capacity: The element appears to assume residential development on sites with zoning that allow 100 percent nonresidential uses and must account for the likelihood of nonresidential uses. The element should include analysis based on factors such as development trends, performance standards or other relevant factors. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. For additional information, see the Housing Element Sites Inventory Guidebook at <a href="https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml">https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml</a>.

<u>Suitability and Availability of Infrastructure</u>: The element gives a general overview of water and sewer infrastructure (pp. C26-27) but must also clarify if there is sufficient total infrastructure capacity (existing and planned) to meet the RHNA.

Sites Identified in Prior Planning Periods: Sites identified in prior planning periods shall not be deemed adequate to accommodate the housing needs for lower-income households unless a program, meeting statutory requirements, commits to rezoning within three years. The element should clarify if sites were identified in prior planning periods and if so, which sites and include a program if utilizing previously identified sites in the current planning period. For more information on program requirements, please see HCD's Housing Element Sites Inventory Guidebook at <a href="https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml">https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml</a>.

#### Zoning for Variety of Housing Types:

- Emergency Shelters: The element indicates emergency shelters are currently excluded from several residential zones and conditionally permitted in the TOD, SSMU, and SSMU-R zones (p. C-10). However, the element must identify a zone(s) where emergency shelters are permitted without a conditional use permit (CUP) or other discretionary action and with sufficient capacity to accommodate the identified need for shelters. (Gov. Code, § 65583, subd. (a)(4).) HCD cannot find the element in compliance until demonstrating a zone available to permit emergency shelters without discretionary action. In addition, the element must also describe the capacity, characteristics and suitability of the zone(s) for emergency shelters. Finally, it must address whether parking requirements are limited to staff working in the emergency shelters and do not require more parking than other residential or commercial uses in the zone.
- Low Barrier Navigation Centers: Low Barrier Navigation Centers 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 65660. The element must demonstrate compliance with this requirement and include programs as appropriate.
- Housing for Agricultural Employees: The element indicates there is a low demand for farmworker housing and that the City does not explicitly allow farmworker housing in any zone. Regardless of demand, the element must demonstrate zoning in compliance with the Employee Housing Act, specifically Health and Safety Codes sections 17021.5, 17021.6 and 17021.8. For example, section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. The element must demonstrate compliance with these zoning requirements or include programs to amend zoning as appropriate.

<u>Electronic Sites Inventory</u>: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <a href="https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element">https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element</a> for a copy of the form and instructions. The City can reach out to HCD at <a href="mailto:sitesinventory@hcd.ca.gov">sitesinventory@hcd.ca.gov</a> for technical assistance.

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).)

<u>Processing and Permit Procedures</u>: The element describes most developments are subject to a plot plan review and developments over four units are subject to planning

commission review. The element should also discuss the number of public hearings, approval findings and any other relevant information. The analysis should address impacts on housing cost, supply, timing and approval certainty. For example, the element should identify and analyze approval findings for impacts on approval certainty, the presence of processes or guidelines to promote certainty and add or modify programs as appropriate.

<u>SB 35 Streamlined Ministerial Approval Process</u>: The element must clarify whether there are written procedures for the SB 35 (Chapter 366, Statues of 2017) Streamlined Ministerial Approval Process and add a program to address these requirements if necessary.

<u>Codes and Enforcement</u>: The element must describe the City's building and zoning code enforcement processes and procedures and analyze their impact as potential constraints on housing supply and affordability. Specifically, the element should identify and evaluate any local amendments to the building code for impacts on housing costs and describe the City's procedures for enforcement of the existing housing stock (e.g., complaint-based). For additional information and a sample analysis, see the Building Blocks at <a href="http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml">http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml</a>.

<u>Constraints on Persons with Disabilities</u>: The element must analyze potential constraints on housing for persons with disabilities. Specifically, the element must include analysis and programs, as appropriate, to address any definition of family and procedures for group homes for seven or more persons. For example, group homes for seven or more persons are subject to a CUP, unlike other similar uses. The element should specifically analyze this constraint for impacts on housing supply and choices and approval certainty and objectivity for housing for persons with disabilities and include programs as appropriate.

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).)

The element must analyze requests to develop housing at densities below those anticipated in the sites inventory and the length of time between receiving approval for housing development and submittal of application for building permits. The analysis must address any hinderances on housing development, and programs should be added as appropriate.

6. 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).)

The element indicates (p. A-18) there are 85 farmworkers employed in the agricultural industry within the City; however, the analysis does not consider the regional context. Farmworkers from the broader area and those employed seasonally may have housing needs that are not currently reflected in the analysis. As a result, the element should at least acknowledge the housing needs of farmworkers at a county level (e.g., USDA county-level farmworker data) and include programs as appropriate.

#### C. <u>Housing Programs</u>

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 include Programs 2 (Housing Facilitation in the Urban Village), 10 (Affordable Housing Density Bonus Program), 13 (Developmentally Disabled Outreach Program) and 19 (Infrastructure Grants).

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:

<u>Program 1 (Rezone Program)</u>: The element includes Program 1 to rezone sites to accommodate housing for lower-income households. The program must meet all the requirements of Government Code section 65583.2, subdivisions (h) and (i). Specifically, the program must commit to permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households.

Zoning for Variety of Housing Types: As indicated in Finding B3, the element must include programs to address the zoning constraints identified relative to employee housing, emergency shelters and low barrier navigation centers.

<u>Previously Identified in Prior Planning Periods</u>: The element indicates (p. B-8) sites from prior planning periods were identified. However, the element should clearly denote which sites were identified in prior planning period. The element also states no program is required, given that the sites allow multi-family projects by right. However, sites are inadequate to accommodate housing for lower-income households unless:

- The site's current zoning is appropriate for the development of housing affordable to lower-income households by either including analysis or meeting the appropriate density. See Government Code section 65583.2, subdivision (c)(3); and
- The site is subject to a housing element program that requires rezoning within three years of the beginning of the planning period to allow residential use by-right for housing developments in which at least 20 percent of the units are affordable to lower-income households. (Gov. Code, § 65583.2, subd. (c).)

The element must include a program that specifically commits the City to addressing both of the above requirements.

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).)

While the element includes programs to assist in the development of very low-, low-, and moderate-income households, it must also include a program(s) to assist in the development of housing affordable to ELI and all special needs households. Program actions could include prioritizing some funding for housing developments affordable to ELI households and offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units, to address the identified housing needs for ELI households.

In addition, the element includes Program 12 (Affordable Housing Developer Outreach Program) to assist in the development of housing for lower and moderate-income households. The program should be revised to commit to assist with funding such as annually applying for funding or supporting funding applications.

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 Findings B4 and B5, 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 to address and remove or mitigate any identified constraints.

5. Promote AFFH 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 B2, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. For additional guidance on program requirements to AFFH, please see HCD's guidance at <a href="https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml">https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml</a>.

#### D. 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 and rehabilitation by income group for very low-, low-, moderate- and above-moderate income, it must also include quantified objectives for conservation. Examples of programs that could be utilized include Programs 6 (Rental Assistance), 20 (Code Enforcement) and 25 (Energy Conservation).

#### E. <u>Public Participation</u>

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 element describes a few community meetings and the City's website, moving forward, the City should employ additional methods for public outreach efforts, particularly to include lower-income and special needs households and neighborhoods with higher concentrations of lower-income households. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income households in future public outreach efforts. In addition, the element should also summarize future public comments and describe how they were considered and incorporated into the element.

In addition, the availability of the element to the public prior to HCD submittal is unclear. For your information, by not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the City would not have yet complied with statutory mandates to make a diligent effort to encourage the public participation in the development of the element. Further, the lack of availability of the document reduces HCD's ability to consider public comments in its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including revising the document where appropriate. HCD's future review will consider the extent to which the revised element documents how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.