

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

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April 18, 2022

Susan Hartman, Director
Community Development Department
Town of Paradise
5555 Skyway Road
Paradise, CA 95969

Dear Susan Hartman:

RE: Town of Paradise's 6th Cycle (2022-2030) Draft Housing Element

Thank you for submitting the Town of Paradise's (Town) draft housing element received for review on January 18, 2022. HCD's review incorporated revisions posted to the Town's website on March 28, 2022 and received on April 4, 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 March 18, 2022 with you and consultants Meredith Rupp and Leslie Carmichael.

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).)*

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).)

Given the effects of the Camp Fire, HCD recognizes the difficulty in collecting relevant data, specifically data relating to affirmatively furthering fair housing. In the absence of data, the Department recognizes the Town's use of 2021 Local Census data which more accurately reflects the current conditions. However, the element must still include an assessment of fair housing. The assessment must address segregation and integration, racially/ethnically concentrated areas of

poverty and affluence, disparities in access to opportunity, disproportionate housing needs, including displacement risk and identified sites to accommodate the regional housing need allocation (RHNA). The assessment must evaluate patterns and trends within the Town and the Town compared to the region and should be supplemented by local data and knowledge and other relevant factors. Given the unique circumstances, the assessment may emphasize local data and knowledge and other relevant factors. Based on the outcomes of the evaluation, the element must identify and prioritize contributing factors to fair housing issues and formulate goals and actions. 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, 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.

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).)*

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).)

Realistic Capacity: While the element states that the realistic capacity assumptions of 80 percent of maximum density is feasible, the element must still provide examples of sample sites or projects to support this capacity assumption. In addition, if relying on zoning or general plan designation that allow 100 percent nonresidential uses, the element must account for the likelihood of 100 percent nonresidential uses occurring on identified sites. While the element notes the Town utilized a conservative factor of 50 percent of maximum allowable densities, it should include supporting information for this assumption such as

recent trends, residential performance standards as part of rezoning or other information and policies and programs.

Manufactured Housing: The element assumes a substantial number of single family and manufactured homes toward the RHNA, including for lower-income households. The element notes 2020 records and contract amount for manufactured homes. However, the element should include additional supporting information to support these trend and affordability assumptions. For example, the element should include trend information from 2021 and any other relevant and available data from prior to 2020 and after 2022. In addition, the element must include additional information to demonstrate affordability for lower-income households such as considering information related to costs of foundations, transportation, permit and impact fees, installation, and financing.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the Town must submit an electronic sites inventory with its adopted housing element. The Town must utilize standards, forms, and definitions adopted by HCD. 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 Town can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element concludes the C-S zone has adequate capacity to accommodate the need for emergency shelters. However, the element should summarize available acreage, typical parcel sizes, planned proximity to services and transportation. In addition, the element should list and evaluate development standards, including any special regulations. This analysis should consider existing zoning and if capacity is not available under existing zoning, the element should include programs to make capacity and zoning available.
- *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 mentions these requirements but must demonstrate compliance with this requirement or add or modify programs.

Programs: As noted above, 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 Town 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 indicates that sites zoned in the sewer service overlay are intended to accommodate the RHNA for lower-income households since zoning will allow 20 units per acre and above. However, the element does not clearly demonstrate whether zoning will be made available prior to the planning period or within the planning period. If zoning will be made available within the planning period (after June 15, 2022), the element must include a program to address a shortfall of adequate sites, including meeting all requirements pursuant to Government Code section 65583, subdivision (c)(1) and 65583.2, subdivisions (h) and (i).

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 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).)*

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... (Gov. Code, § 65583, subd. (c)(3).)

Land Use Controls: While the element mentions the purpose of zoning and lists a few development standards, it must analyze these land use controls as potential constraints on housing. For example, the analysis should address requirements related to parking, heights, lot coverage and floor area ratios and evaluate any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities.

Local Processing and Permit Procedures: The element mentions the conditional use and administrative process, including potential referral to the Planning Commission. However, the element should describe the process for a typical project meeting zoning and development standards, including site plan and design review. The analysis should identify the approval body, typical number of hearings if applicable and specifically list and evaluate approval findings.

On/Off-Site Improvements: The element must identify improvement requirements, such as minimum street widths and analyze their impact as potential constraints on housing supply and cost. For additional information and a sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

Housing for Persons with Disabilities: The element indicates group homes for seven or more persons are subject to a conditional use permit and excluded from some residential zones. The element should specifically analyze this procedure and exclusion from residential zones as a constraint on housing for persons with disabilities and add or modify programs as appropriate to promote objectivity and approval certainty for group homes for seven or more persons.

Programs: As noted above, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the Town may need to revise or add programs and address and remove or mitigate any identified constraints.

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

To have a beneficial impact in the planning period and address the goals of the housing element, programs must still be revised with discrete timelines, as follows:

- *Program HI-4 (Density Bonus and Other Opportunities)*: Commit to when the zoning ordinance and rezoning will be completed in addition to exploring incentives in the downtown area.
- *Program HI-11 (Housing Rehabilitation and Improvement)*: Commit to when the Town will pursue funds and conduct condition surveys.
- *Program HI-17 (Special Needs Housing)*: Commit to how often the Town will work with the Far Northern Regional Center.

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

The statutory deadline to adopt a housing element is June 15, 2022. 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 this statutory deadline, then any rezoning to accommodate the RHNA, including for lower-income households, shall be completed no later than one year from the statutory deadline. 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).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the Town 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 Town will meet housing element requirements for these and other funding sources.

HCD appreciates the responsiveness, dedication, and thoroughness you and consultants Meredith Rupp and Leslie Carmichael provided during the review. We are committed to assisting the Town in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jose Ayala, of our staff, at Jose.Ayala@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager