

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

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June 11, 2021

Neal Hay, Director
Development Services Department
County of Sutter
1130 Civic Center Blvd.
Yuba City, CA 95993

Dear Neal Hay:

RE: Review of the County of Sutter's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the County of Sutter's (County) draft housing element received for review on April 14, 2021, along with revisions received on May 28, 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 May 24, 2021 with Doug Libby, Steve Geiger, and consultants Kim Untermoser and Chelsey Payne.

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.

As a reminder, the County's 6th cycle housing element was due May 15, 2021. As of today, the County has not completed the housing element process for the 6th cycle. The County's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described in the appendix, adopt, and submit to HCD to regain housing element compliance.

To remain on an eight-year planning cycle, the County 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 County 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.

Pursuant to Government Code section 65583.3, subdivision (b), the County 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 County must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the County 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: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.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 County meets housing element requirements for these and other funding sources.

HCD appreciates the hard work and dedication of Doug Libby, Steve Geiger, and consultants Kim Untermoser and Chelsey Payne, in preparation of the County's housing element and looks forward to receiving the County's adopted housing element. If you have any questions or need additional technical assistance, please contact Hillary Prasad, of our staff, at Hillary.Prasad@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" being more prominent than the last name "West".

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX COUNTY OF SUTTER

The following changes are necessary to bring the County'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 <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> 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))*

Enforcement and Outreach: While the element includes some information on enforcement, it should include specific information on outreach capacity throughout the planning period.

Programs: Goals and actions must significantly seek to overcome contributing factors to fair housing issues. Currently, the element indicates programs that address affirmatively furthering fair housing. However, programs will need to be added or revised to facilitate meaningful change. Programs generally must address enhancing housing mobility strategies; encouraging development of new affordable housing in high resource areas; improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing; and protecting existing residents from displacement. For example, affirmatively furthering fair housing should be considered in programs H 2-B, H 2-G, and H 4-C, among others. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. For more information, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

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).)*

Specific Plan: The housing element relies upon Lakeside Specific Plan areas to accommodate the County's regional housing need for lower-income households.

While the housing element indicates the Specific Plan's residential capacity and estimates the number of units by income group, it does not provide any analysis demonstrating their suitability for development in the planning period or potential affordability. To utilize residential capacity in Specific Plans, the element must:

- Indicate when sites will be available to affordable housing developers within the planning period.
- Describe the phasing and process of the Lakeside Specific Plan. For example, whether or not a certain unit count in Phase 1 has to be complete before Phases 2 and 3 can begin construction.
- Include a monitoring program to ensure the sites are available during the planning period or identify additional sites as needed. As you know, pursuant to Government Code section 65863, local governments must ensure the inventory of sites or any site programs accommodate the regional housing need by income throughout the planning period of the element. If Phase 2 and 3 of the Lakeside Specific Plan are not available during the planning period, the County must identify additional sites to accommodate the Regional Housing Needs Allotment (RHNA).

For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/inventory-of-land-suitable.shtml>.

Accessory Dwelling Units (ADU): The element assumes an ADU build out of 40 ADU and/or Junior Accessory Dwelling Unit (JADU) per year based upon past production trends and incentives. While this is an acceptable methodology, given that the County has only produced an average of two units per year since 2018, it is not clear if this production level will be achievable in the planning period. Therefore, the element must commit to monitor ADU production throughout the course of the planning period and implement additional actions if not meeting target numbers anticipated in the housing element. In addition to monitoring production, this program should also monitor affordability and should monitor at least every other year. Additional actions, if necessary, should be taken in a timely manner (e.g., within 6 months). Finally, if necessary, the degree of additional actions should be in stride with the degree of the gap in production and affordability. For example, if actual production and affordability of ADUs is far from anticipated trends, then rezoning or something similar would be an appropriate action. If actual production and affordability is near anticipated trends, then measures like outreach and marketing might be more appropriate. HCD appreciates the County's efforts in promoting ADUs as an important housing choice and looks forward to monitoring the progress of this program.

B. Housing Programs

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 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 County's specific role in implementation; (2) definitive implementation timelines; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include the following:

Farmworker Housing (H-4 C): The element should include how often the County will collaborate with the housing authority throughout the planning period.

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 A2, 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 County 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:

Large Sites: The site inventory includes two large parcels to accommodate the lower-income RHNA. Sites larger than 10 acres in size are deemed inadequate to accommodate housing for lower-income housing unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing (Gov. Code, § 65583.2, subd. (c)(2)(A)). The element states that these parcels are expected to be subdivided as development is built out. The element includes Program H 2-E to facilitate subdivision of large lots by offering fee waivers. However, fee waivers alone are not sufficient to demonstrate the adequacy of these larger sites to accommodate the RHNA, especially given that the County is relying on these two sites to accommodate almost all the housing

need for lower income. The County should expand this program to include other mechanisms for facilitating development for lower-income housing on these sites. For example, the program could include expediting processing or automatic approval of lot splits for housing developments affordable to lower income households.

3. *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).)*

Affirmatively Further Fair Housing: While the element includes Program H 6-A which describes how the County provides information on fair housing, it must also include actions that promote and affirmatively further fair housing opportunities. For example, the element could include a program committing to implement Government Code section 8899.50, subdivision (b), which requires the City to administer its programs and activities relating to housing and community development in a manner to affirmatively further fair housing and take no action that is materially inconsistent with its obligation to affirmatively further fair housing pursuant to Government Code section 8899.50. As noted in finding A1, programs throughout the element should be revised to address enhancing housing mobility strategies; encouraging development of new affordable housing in high resource areas; improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing; and protecting existing residents from displacement.