

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



March 23, 2023

Jonathon Lait, Planning Director
Department of Planning and Development
City of Palo Alto
250 Hamilton Avenue, Fifth Floor
City of Palo Alto, CA 94301

Dear Jonathon Lait:

RE: City of Palo Alto's 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the City of Palo Alto's (City) draft housing element received for review on December 23, 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. HCD considered comments from David Kellogg, Greenbelt Alliance; Stuart L. Klein, Ian Faucher, Rob Neilson, Scott O'Neil and Robert Chun, Palo Alto Moving Forward; Salim Damerджи, Sidharth Kapur, Steve Levy, Greg Schmid, Kelsey Banes, Emily Ramos, and the League of Women Voters; 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.

As a reminder, the City's 6th cycle housing element was due January 31, 2023. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

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) shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) (1) and 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 meets 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>.

HCD appreciates the commitment and cooperation the housing element update team provided during the update and our review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Irvin Saldana, of our staff, at Irvin.Saldana@hcd.ca.gov.

Sincerely,



Melinda Coy
Proactive Housing Accountability Chief

Enclosure

APPENDIX CITY OF PALO ALTO

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. 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).)

Special Housing Needs: The element must provide an evaluation of the cumulative effectiveness of past goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness) and revise programs as appropriate. In addition to evaluating progress or effectiveness of programs to address special needs groups, the element can also discuss the results, success, or lack of, challenges and opportunities from outreach, coordination, application for funding, incentives or other activities and then discuss potential strategies set forth in the current element to meet the need.

B. 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: While the housing element includes a summary of fair housing enforcement and outreach capacity at the county level, it must also quantify and evaluate complaints at the City level. In addition, the element should discuss how the City complies with existing fair housing laws and regulations, any past fair housing lawsuits, consent decrees or other related legal matters.

Patterns and Trends: While the element reports general information and data, it must analyze this data for trends over time, patterns across census tracts, and coincidence with other components of the assessment of fair housing. Moreover, the element must supplement existing data with local data and knowledge and other relevant factors were

applicable. Lastly, the element provides an evaluation of fair housing data on a regional basis that is generally limited, comparing only a few fair housing topics within Santa Clara County, and providing no analysis to the surrounding South Bay region. Once complete, the assessment of fair housing must include appropriate programmatic responses to encourage housing mobility and promote new affordable housing opportunities throughout the City, regardless of the regional housing need allocation (RHNA).

Racially Concentrated Areas of Poverty (R/ECAPs): The element mentions that there are no racially concentrated areas of poverty within City; however, the element does provide analysis on distinct areas of poverty/lower income; and identifies two census tracts with 10-40 percent of the population below the poverty line. The analysis should include local data and knowledge to further evaluate patterns and changes overtime at a local (e.g., neighborhood to neighborhood) level and provide appropriate programmatic responses to address ongoing patterns and trends.

Racially Concentrated Areas of Affluence (RCAA): The element identified a total of 10 census tracts within City that qualified as RCAA; however, and as mentioned above, element provides limited analysis on the factors that contribute to this outcome. This analysis should utilize local data and knowledge and other relevant factors to achieve a comprehensive analysis. For example, the element could examine past land use practices, investments, quality of life relative to the rest of the City and region and then formulate appropriate programs to promote more inclusive communities and equitable quality of life. For example, the City should consider additional actions (not limited to the RHNA) to promote housing mobility and improve new housing opportunities throughout the City.

Disparities in Access to Opportunity: The element provides datapoints and a general analysis on accesses opportunity including, education, economic, transportation and environmental outcomes; however, the element should analyze these data points for trends and patterns throughout the City, and any concentrations or coincidences with other components of the fair housing analysis. A complete analysis should revise and or provide additional policies and programs that meet the need of each of the components mentioned above.

Disproportionate Housing Needs including Displacement: The element provides some analysis on overcrowding, overpayment, substandard housing, homelessness, and displacement risk; however, the element must analyze the data for local and regional patterns for overcrowding, overpayment, and substandard housing including any identified trends and coincidence with other components of the fair housing assessment. In addition, the element briefly mentions persons experiencing homelessness, but should provide additional information on the need, including, impacts and patterns within the City. For instance, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. Lastly, the element must describe characteristics of existing “sensitive communities” found on figures C-45 and 46 of the elements.

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element must include data on the location of RHNA sites by income group relative to all fair housing components. The analysis should address the isolation of the RHNA by income group, specifically in the GM and ROLM zones (p. C-86) magnitude of the impact on existing concentrations of socio-economic characteristics and discuss how the sites improve fair housing conditions. The analysis should be supported by local data and knowledge and other relevant factors and programs should be added or modified as appropriate to promote inclusive and equitable communities.

Local Data and Knowledge and Other Relevant Factors: As noted in the prior findings, the element must supplement the analysis and complement state and federal data with local data and knowledge to capture emerging trends and issues, including utilizing knowledge from local and regional advocates, public comments, and service providers.

Contributing Factors: The element identifies many contributing factors to fair housing issues but must prioritize these factors to better formulate policies and programs and carry out meaningful actions to AFFH.

- 2. 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).)

Housing Conditions: The element provides some information on age of the housing stock. However, it must 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 knowledgeable organizations.

Special-Needs Populations: While the element identifies the number of persons experiencing homelessness using a past point in time count (PIP) survey, (pp. 2-72) of the element mentions a more recent PIP conducted on January 24, 2023. The elements analysis and corresponding figures should be updated to reflect the most recent PIP.

- 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: As you know, the City's RHNA may be reduced by the number of new units built since June 30, 2022; however, the element must demonstrate the affordability of units in the planning period based on actual sales price, rent level, or other mechanisms ensuring affordability (e.g., deed restrictions). While the element

includes some information related units in the pipeline listed on Table 3-2 (pp. 3-6, 3-7), it divides the units between below market rate and market rate rather than indicating the actual affordability category (very-low-, low-, moderate-, above moderate- income). In addition, several projects which have units assigned in the below market rate category indicate that there is no restriction. For these projects, the element must indicate how affordability was determined. The element must also discuss availability or likelihood the units will be built in the planning period and should account for any barriers to development, phasing, anticipated build out horizons, market conditions and other relevant factors to demonstrate their availability in the planning period.

Realistic Capacity: While realistic capacity assumptions are generally conservative and based on existing or approved residential developments and development trends in the surrounding region, the elements realistic capacity assumptions must still account for all land use controls and site improvements. In addition, residential capacity calculations should account for the likelihood of residential development in zones where 100 percent nonresidential uses are allowed. These assumptions should also go beyond recent approved development and consider additional factors such as, nonresidential performance standards that require residential use, incentives for residential use, market demand, efforts to attract and assist developers, the allowance of 100 percent residential development in nonresidential zones, and local or regional residential development trends in the same nonresidential zoning districts. The element should enhance existing policies and programs based on a complete analysis.

Nonvacant Sites: The element provides several factors that demonstrate the redevelopment potential of nonvacant sites, including factors such as, current, and past development trends, improvement to land value ratios, existing use vs zone use, age of structure, floor area ratio (FAR), proximity to transit, TCAC/HCD designations, and community interest. However, the element must provide additional information on nonvacant sites related to existing uses that may constitute an impediment to additional residential development, past experiences converting existing uses to higher density residential development, current market demand for the existing use, existing leases or contracts that would perpetuate the existing use or prevent additional residential development or other relevant information to demonstrate the potential for redevelopment such as expressed owner and developer interest. Based on a complete analysis the element may need to add or revise programs to facilitate redevelopment. In addition, HCD received several public comment letters regarding the possible existence of additional units on several sites included in the City's site inventory. The City must review and consider the possibility that existing units on nonvacant sites were undercounted. Once complete, existing capacity totals must be adjusted to accurately reflect existing units on identified nonvacant sites.

Finally, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, the housing element must demonstrate that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2).

Environmental Constraints: While the element generally describes environmental conditions within the City (pp. 4-77), it must describe any other known environmental constraints or conditions within the City that could preclude development on identified sites in the planning period (e.g., airport compatibility and related land use controls, shape, contamination, easements, overlays).

AB 725: For jurisdictions that are considered Metropolitan, 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) (Gov. Code, § 65583.2, subd. (c)(4)).

City-Owned sites: While a brief analysis on city-owned parking lots (pp. 3-43) is included in the element, the analysis should discuss the status, anticipated steps for development including disposition, any known barriers to development and other relevant factors to development in the planning period. Based on a complete analysis, the element should add or modify programs to comply with the Surplus Land Act, commit to numerical objectives, including affordability, aligned with assumptions in the inventory and a schedule of actions to facilitate development. A schedule of actions may include coordination with appropriate entities, including potential developers, disposition of the land, zoning, funding, facilitating other entitlements and issuing permits. Lastly, the program should identify and make alternative sites with zoning of equivalent capacity and density by a specified date if sites are not made available by a date early in the planning period.

Availability of Infrastructure: While the element describes minor upgrades to water and sewer hookups may be required to support development of select sites, it should clarify sufficient existing or planned water and sewer capacity to accommodate the City's regional housing need. Currently, the analysis on (pp. 3-57) is unclear.

For your information, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. (Gov. Code, § 65589.7.) Local governments are required to immediately deliver the housing element to water and sewer service providers. HCD recommends including a cover memo describing the City's housing element, including the City's housing needs and regional housing need. For additional information and sample cover memo, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/priority-water-and-sewer>.

Electronic Sites Inventory: 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 <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.

Zoning for a Variety of Housing Types:

- *Emergency Shelters*: The element currently identifies the Research, Office, and Limited Manufacturing-Embarcadero (ROLM(E)) district as suitable to accommodate emergency shelters. However, the element should clarify if emergency shelters are allowed in this zone by-right and without discretionary action. In addition, the element should list development standards and identify reuse, and redevelopment opportunity. Lastly, the element should provide an analysis of proximity to transportation and services for these sites, hazardous conditions, and any conditions appropriate for human habitability.

For your information, Chapter 654, Statutes of 2022 (AB 2339), adds additional specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD's memo at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf> .

- *Accessory Dwelling Units (ADU)*: Please refer to HCD's letter related to ADU requirements sent on December 21, 2022.
- *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. Currently, the element mentions that supportive and transitional housing will be allowed in additional zones (pp. 4-36, 4-37); however, referencing (Table 4-3A) on (pp. 4-22) the City has several additional zones (i.e., AMF, MUO) that would also have to allow transitional and supportive housing as a residential use and subject only to those restrictions that apply to residential dwelling of the same type in the same zone.
- *By-Right Permanent Supportive Housing (AB 2162)*: 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 these requirements and include programs as appropriate.
- *Manufactured Housing*: Manufactured homes that are built on a permanent foundation must be allowed in the same manner and in the same zones as conventional or stick-built structures. Specifically, manufactured homes on a permanent structure should only be subject to the same development standards as a conventional single-family residential dwelling. The element must demonstrate consistency with this requirement or add or modify programs as appropriate.

- Farmworker Housing: Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. Currently, the element is unclear on whether the City complies with state law in accordance to Health and Safety Code 17021.6. In addition while the element mentions amending the City's code to comply with 17021.6, Program 6.5 fails to mention commitments to do so during the planning period. For additional information and sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/farmworkers>.

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).)*

Land Use Controls: The element must identify and analyze the impact of all relevant land use controls as potential constraints on a variety of housing types in all zones that allow residential uses. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should address any impacts on cost, supply, housing choice, feasibility, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints. The analysis must specifically describe and analyze, minimum lot area coverage, height limits, setbacks, and floor area ratios (FAR). Lastly, the element must describe and analyze parking requirements in all zones that allow residential uses.

Fees and Exaction: While the element describes required fees for single family and multifamily housing developments, including impact fees, on (pp. 4-66) the element states that impact fees/capacity fees are considered the highest in the County. In addition, on (pp. 4-67) the City recognizes that current planning/permitting and development fees add substantial cost to residential development. The element should provide a comprehensive analysis assessing all required fees and their proportion to the development costs for both single family and multifamily housing. In addition, the element could also provide information on how the city provides financial assistance to affordable housing developments. Based on a complete analysis, the City should provide additional policy and programs to mitigate the cost and impact of required fees on residential development.

Density Bonus Law: The element must clarify compliance with current State Density Bonus Law (SDBL) including amendments enacted January 1, 2023. In addition, the element must list and analyze fees associated to SDBL as a potential constraint on housing.

Zoning and Fee Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning and development standards for each parcel on the jurisdiction's website pursuant to Government Code section 65940.1(a)(1).

Local Processing and Permit Procedures: HCD has received several public comments related to the local permit process that have indicated a complex, untimely, and cumbersome process with little certainty to applicants. While the element includes information on permit process and processing time frames that range from 90 to 365 days, a complete analysis must evaluate the processing and entitlement procedures for potential constraints on housing supply, cost, timing, financial feasibility, approval certainty and ability to achieve maximum densities. Specifically, the element must describe the procedures for a typical single-family and multifamily development. As most projects require discretionary approvals, the analysis must describe the decision-making framework for discretionary approvals related to all permits and entitlements, including but not limited to building permits, major architectural review board, conditional use permits (CUPs), context-based design criteria, rezone procedures, planned home zoning, site plans, environmental review, etc. The analysis must include the approval bodies, the number of public hearings, the actual approval findings, and all relevant information. Based on the outcomes of a complete analysis, the element must add or modify programs as appropriate.

Finally, the element should discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.

On/Off-Site Improvements: The element must identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability.

Codes and their Enforcement: While the element describes the City's current building code, it must describe the City's building and zoning code enforcement processes and procedures, including whether code enforcement is targeted or complaint based, and analyze their impact as potential constraints on housing supply and affordability.

Local Ordinances: The element must specifically analyze locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances that directly impact the cost and supply of residential development. In addition, the element should further analyze the Retail Preservation Ordinance and clarify whether any sites in the element are currently within the boundaries of the ordinance. Lastly, HCD received public comment on the City's Tree Protection Ordinance, the element must provide analysis on this recently adopted ordinance (July 21, 2022) and should evaluate any impacts on the development of housing and the City's ability to meet the RHNA.

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).)*

Developed Densities and Permit Times: The element must be revised to include analysis of requests to develop housing at densities below those anticipated, and the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially hinder the construction of a locality's share of the regional housing need.

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

Table 2-39 on (pp. 2-100) of the element identifies the total number of units at-risk of conversion during the planning period. However, according to HCD records received from the California Housing Partnership (<http://www.chpc.net>) additional properties may be at-risk including Oak Park Manor (630 Los Robles Ave) and California Park Apartments (2301 Park Blvd). If units are identified as at-risk, the analysis must include the following:

- Listing of each development by project name and address.
- Type of governmental assistance received and the earliest date of change from low-income use.
- Total number of units for senior vs. non-senior residents.
- Estimated total cost for producing, replacing, and preserving the at-risk units.
- Identification of public and private nonprofit corporations known to the City to have the legal and managerial capacity to acquire and manage at-risk units.
- Identification and consideration of use of federal, state, and local financing and subsidy programs.

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

To have a beneficial impact in the planning period and achieve the goals and objectives of the housing element, programs must have discrete timing (e.g., at least annually or by 2025) and specific commitment to housing outcomes and refrain from language such as “consider” while also having discrete timing (e.g., at least annually or by January 2024).

Examples of programs to be revised with discrete timing include Program 1.5 (Stanford University Lands), Program 3.1 (Monitor constraints on housing), 2.1 (Affordable Housing developments), Program 3.5 (Pedestrian and Transit Oriented Development),

Program 3.8 (Objective Design Standards for SOFA), Program 6.1 (Housing for Special Needs) Program 6.2 (Multi-Family Housing & Large Units).

Examples of programs to revised with specific commitments Program 1.4 (City Owned Land Lots), Program 1.6 (Lot Consolidation), Program 3.1 (Fee Waivers and Adjustments), Program 3.3 (Affordable housing development incentives), Program 3.4 (Housing Incentives Program (HIP)), Program 3.6 (Accessory Dwelling Unit Facilitation), Program 3.7 (Expedited Project Review), 4.2 (Housing and Neighborhood Preservation), Program 4.3 (Home Rehabilitation), Program 5.1 (At Risk Preservation, Program 5.2 (Funding Partnerships), Program 6.3 (Mixed use Development) Program 6.5 (Alternative Housing) Program 6.6 (Affirmatively Furthering Fair Housing).

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, Program 6.5 (Alternative Housing) should specifically commit to allowing emergency shelters without discretionary action, with appropriate development standards in compliance with statutory 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).)*

Several actions commit to “partner”, “explore”, “encourage” housing. While these efforts are important and meaningful, these efforts should be complimented by additional steps that lead to housing outcomes. For example, Program 6.2 (Multi-Family Housing and Large Units) should set forth clear commitments in implementing incentives for larger units. This is only one example of several programs that will need to include clear and specific commitment to identify affordable development opportunities, grant incentives, assist with funding, and process entitlements on an annual basis. Programs should also commit to a numerical target and evaluate and adjust efforts as necessary every other year.

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 Finding 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 and address and remove or mitigate any identified constraints. In addition, the element should be revised as follows:

- Program 3.4 (Housing Incentives Program): The Program should specifically commit to reduce parking requirements and establish creative alternatives (beyond aligning parking requirements with required State Density Bonus Law requirements).
- Program 6.5 (Alternative Housing): The Program should clearly commit to allow group homes for seven or more persons in all residential zones. For your information, zoning should simply implement a barrier-free definition of family instead of subjecting, potentially persons with disabilities, to special regulations such as the number of persons, population types and licenses. Please refer to HCD's Group Home Technical Advisory <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/group-home-technical-advisory-2022.pdf>.

5. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, 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. The element must add, and revise programs based on a complete analysis and listing and prioritization of contributing factors to fair housing issues.

Goals, Priorities, Metrics, and Milestones: Goals and actions must significantly seek to overcome contributing factors to fair housing issues and must include quantifiable metrics and milestones for evaluating progress on programs, actions, and fair housing results. 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 high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

D. Quantified Objectives

1. *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).)*

The element must include quantified objectives for new construction, rehabilitation, and conservation by income group. In addition, conservation objectives should not be limited to at-risk preservation and can include broader efforts to conserve the existing housing stock such as code enforcement programs, rental assistance or housing choice vouchers, weatherization, tenant protections, and mobile home park preservation ordinances.