

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

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February 15, 2022

Marti Brown, City Manager
City of Willows
201 North Lassen Street
Willows, CA, 95988

Dear Marti Brown:

RE: Willows' 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Willows (City) housing element adopted November 9, 2021 and received for review on November 17, 2021. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The adopted housing element addresses many statutory requirements described in HCD's May 26, 2021 review; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code), see enclosed Appendix.

As a reminder, the City's 6th cycle housing element was due November 30, 2021. 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.

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.

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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: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

HCD appreciates the dedication and effort that you, Karen Mantele, and consultants Sherry Morgado and James Coles provided throughout the course of the housing element review. We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Hillary Prasad, of our staff, at HillaryPrasad@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall". The signature is stylized and cursive.

Paul McDougall
Senior Program Manager

APPENDIX CITY OF WILLOWS

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 <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))*

Disparities in Access to Opportunity: The element must include a regional comparison to the overall access to opportunity in the City compared to the County and address the apparent concentration of affordable housing in the City. In addition, the element should be revised as follows:

- *Education*: Describe the access to opportunity map for education, school scores, and disparities in access to education.
- *Transportation*: Discuss where the stops are located and whether areas of lower opportunity or protected groups have access to transportation.
- *Environment*: Analyze access to opportunity related to environmental quality at a local (patterns within the City) and regional (City compared to County) level.

Disproportionate Housing Needs Including Displacement Risks: While the element was revised to add a summary of cost burden and overcrowding, it must analyze these issues and patterns throughout the City as well as include a regional comparison. In addition, related to displacement risk, the element should provide an analysis of displacement risk due to substandard housing for renters.

Goals, Priorities, Metrics, and Milestones: The element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, 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. For example, under Goal FH-1 (Improve Fair Housing Choice and Equitable Access to Opportunity), metrics and milestones should be added to additional programs that have a meaningful impact and affirmatively further fair housing (AFFH) including but not limited to rehabilitation, preservation, and accessory dwelling unit incentives.

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).)*

Sites Inventory: As stated in the May 26, 2021 review, the element must clarify whether the sites listed in the inventory are maximum allowable capacity, or the realistic capacity that can be accommodated for each site. Please see HCD's prior review for additional information.

Electronic Site Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the City has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

Zoning for a Variety of Housing Types:

- *Permanent Supportive Housing*: While the element states that supportive housing is allowed, it must describe the City's zoning and procedure for complying with Government Code section 65651. Section 65651 requires jurisdictions to allow supportive housing by right (without discretionary action) in zones allowing multifamily housing, including mixed-use and nonresidential zones when the development meets certain requirements. Zoning should explicitly reflect this requirement.
 - *Employee Housing*: While the element indicates permitting procedures for employee housing would follow the same zoning requirements as any other similar residential use, it should demonstrate that zoning explicitly complies with the Employee Housing Act or include a program to amend zoning, specifically Health and Safety Code section 17021.5. As noted in the prior review, 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.
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).)

Land-Use Controls: The element was not revised to address this requirement. Please see HCD's May 26, 2021 review for additional information.

Local Processing and Permit Procedures: The element must describe what uses are permitted in each zone as well as the average time to process a permit. While the element added timing to some steps for approval on page 132, it must still evaluate approval procedures and time for typical single- and multifamily developments, including type of permit, level of review, approval findings and any discretionary approval procedures.

Design Review: The element was not revised to address this requirement. Please see HCD's May 26, 2021 review for additional information.

Constraints on Housing for Persons with Disabilities: The element must describe and analyze the reasonable accommodation procedure, including findings of approval and any definition of family applied in zoning and land use. In addition, the element indicates group homes for seven or more persons are subject to a conditional use permit (CUP). The element should include a program to address this constraint and permit group homes for seven or more persons with objectivity to facilitate approval certainty.

4. *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).)*

Developed Densities and Permit Times: While the cover letter for the adopted element includes some information on recently developed densities, this element should be incorporated into the element. In addition, while the element stated that length of time before requesting a permit is up to a developer, it must still analyze the length of time between a project receiving approval and the submittal of an application for building permits. Please see HCD's prior review for additional information.

5. *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).)*

While the element analyzed the risk of Eskaton Kennedy Manor expiring in 2031, HCD data lists the expiration of rental restrictions as 2028. The element should reconcile this information. In addition, as noted in the prior review, the element must identify public and

private nonprofit corporations known to the City to have the legal and managerial capacity to acquire and manage at-risk units as well as identify and consider the use of federal, state, and local financing and subsidy programs.

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

- Program HD-1.4.1 (Assist in Development of Affordable Housing): The element must include proactive outreach to developers as well as how often the City will apply for funding.
 - Program HD-1.4.5 (Special Housing Needs): The element must include how often the City will apply for funding to address these special housing needs.
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 City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities.*

The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

As noted in Findings A3 and A4, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

- 4. Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics 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 A1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs.

- 5. The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

Program MI-1.2.1 (At-risk Preservation): While the Program now commits to comply with noticing requirements, the Program appears limited to only developments with expiring terms in the next three years. However, the Program should apply to any developments with expiring terms throughout the planning period. In addition, the Program should commit to coordinate with qualified entities and provide education and support for tenants, as noted in the prior review.

C. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

While the element clarified that the draft element was made available for public comment after it was submitted to HCD, it must clarify whether the City has received public comments and how they are incorporated into the element. In addition, 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 revisions to 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.