

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

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August 30, 2021

Jing Yeo, Planning Manager  
Community Development Department  
City of Santa Monica  
1685 Main Street – Mail Stop 28  
Santa Monica, CA 90401

Dear Jing Yeo:

**RE: Review of the City of Santa Monica's 6<sup>th</sup> Cycle (2021-2029) Draft Housing Element**

Thank you for submitting the City of Santa Monica's (City) draft housing element received for review on July 1, 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 August 24, 2021 with you, Rachel Kwok, George Cardona, David Martin, Heidi von Tongeln, and the City's consultant John Douglas. In addition, HCD considered comments from Abundant Housing LA, the California Department of Fish and Wildlife, the Santa Monica Housing Council, Jason Mastbaum, Tieira Ryder, Brad Ewing, Matthew Millen, Adam Buchbinder, Ann Paulson, Matthew Stevens, Ken Kutcher, Lee Kaplan, and Haley Feng, 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.

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 Government (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: [http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375\\_final100413.pdf](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 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.

We appreciate your hard work and the diligent effort and cooperation of the entire housing element update team. 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 John Buettner, of our staff, at [john.buettner@hcd.ca.gov](mailto:john.buettner@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink that reads "Shannan West". The signature is written in a cursive, flowing style.

Shannan West  
Land Use & Planning Unit Chief

Enclosure

**APPENDIX  
CITY OF SANTA MONICA**

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).)*

Fair Housing Enforcement and Outreach: While the element provides an analysis for Affirmatively Furthering Fair Housing (AFFH) beginning on page 27, it generally does not address the requirement to provide an Assessment of Fair Housing (AFH) within the City. The element must include the City's ability to provide enforcement and outreach capacity which can consist of actions such as the City's ability to investigate complaints, obtain remedies, or the City's ability to engage in fair housing testing. Additionally, the analysis must also describe compliance with existing fair housing laws and regulations and include information on fair housing outreach capacity. For further guidance, please visit HCD's AFFH in California webpage at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

Integration and Segregation: The element includes data and analysis on integration and segregation by race and income. However, the element must also analyze segregation and integration by familial status and persons with disabilities.

Areas of Concentrated Poverty and Affluence: The element includes information relative to Racially and Ethnically Concentrated Areas of Poverty (R/ECAP) but should also address concentrated areas of affluence. The combination of the R/ECAP and areas of affluence analyses will help guide goals and actions to address fair housing issues. The analysis should evaluate the patterns and changes over time at a local (e.g., neighborhood to neighborhood) and regional level (e.g., city to region).

Disproportionate Housing Needs including Displacement Risk: The element includes an adequate analysis regarding displacement risk. Additionally, the element should analyze the trends and patterns for overpayment (i.e. cost burden), overcrowding, substandard housing conditions, and persons experiencing homelessness.

Local Data and Knowledge, and Other Relevant Factors: The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers. Also, the element includes meaningful analysis related to historical practices but should also discuss past, present and future investment practices and other information as appropriate.

Sites Inventory: The element includes a general conclusion of the site inventory relative to access to opportunity. However, the element should address all components of the AFFH (e.g., segregation and integration and disproportionate housing needs, including displacement). The analysis should also address sites for all income groups separately (e.g., lower, moderate and above moderate), whether conditions are improved or exacerbated and any isolation of the lower-income regional housing needs allocation.

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. Currently, the element identifies programs to promote and conserve affordable housing; however, most of these programs do not appear to facilitate any meaningful change nor address affirmatively furthering fair housing requirements. Actions must have 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. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low-Income (ELI) Households: The element includes quantification of ELI households but must also identify projected housing needs. The projected housing need for ELI households can be calculated by using available census data to determine the number of very low-income households that qualify as ELI households or presume that 50 percent of the regional housing need allocation (RHNA) for very low-income households qualify as ELI households. Additionally, given the unique and disproportionate needs of ELI households, the element should expand its analysis to better formulate policies and programs. For example, the element could analyze 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 <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

3. *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).)*

Housing Stock Condition: The element identifies the age of the housing stock and provides basic ACS data on substandard conditions (beginning on page B-17). However, it must also 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 knowledgeable organizations. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

4. *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 in Meeting the RHNA: The City's RHNA may be reduced by the number of new units built since July 1, 2021. The element indicates (p. F-9) 1,670 approved and 756 pending units (before applying a 10 percent reduction) toward the RHNA but must also demonstrate the affordability of the units. Specifically, the element must assign these units to the various income groups based on actual or anticipated sales price or rent level of the units or other mechanisms ensuring affordability (e.g., deed-restrictions) and demonstrate their availability in the planning period.

Realistic Capacity: The element must include an estimate of the number of units that can be accommodated on each site in the inventory. The estimate may rely on established minimum density standards or include analysis demonstrating how the number of units for each site was determined. The estimate of the number of units accounts for land use controls and sites improvements however does not support assuming maximum floor areas for every site. The element should include additional and clear supporting information on typical densities of existing or approved residential developments at a similar affordability level. For example, the element could clearly list recent projects, the zone, acreage, built density, allowable density or floor areas, level of affordability and presence of exceptions such as a density bonus.

In addition, the element appears to assume residential development on sites with zoning that allow 100 percent nonresidential uses. The element must account for the likelihood of nonresidential uses. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculation, policies, and program accordingly. The element should include analysis based on factors such as development trends, performance standards or other relevant factors. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#zoning>.

Suitability of Nonvacant Sites: The element does not adequately address this requirement. The element must include an analysis to demonstrate the potential for additional development within the planning period. The analysis shall consider factors including, the extent to which existing uses may constitute an impediment to additional residential development, the City's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites. For example:

- the element should discuss recent redevelopment trends and how those trends relate to identified sites and categories (p. F-2) in the planning period;
- denote the site categories in the inventory, including whether the site is a high potential site;
- discuss why some approved and pending projects do not have high potential and any impacts on their development in the planning period;
- describe recent experience with developing some of the site categories and relate those characteristics to the inventory;
- identify all sites in the inventory with known development interest, expiring leases or other indicators of turnover in ownership that may lead to development;
- support the use of factors such as age of structure and assessor value ratio and reflect those values on a parcel basis; and
- include additional analysis demonstrating the potential for redevelopment in each of the categories

In addition, for your information, the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, which triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period.

Finally, the element identifies sites with existing residential uses. Absent a replacement housing policy, these sites are not adequate sites to accommodate lower-income households. The replacement housing policy has the same requirements as set forth in Government Code section 65915, subdivision (c)(3). The housing element must be revised to include analysis, if necessary and a program.

City-Owned Sites: The element must include additional discussion on each of the City-owned sites identified to accommodate the RHNA. Specifically, the analysis should address general plan designations, allowable densities, support for residential capacity assumptions, existing uses and any known conditions that preclude development in the planning period and the potential schedule for development. If zoning does not currently allow residential uses at appropriate densities, then the element must include programs to rezone sites pursuant to Government Code section 65583.2, subdivisions (h) and (i).

Zoning Appropriate for Lower-Income Households: The element must demonstrate densities appropriate to accommodate housing for lower-income households. For communities with densities that meet specific standards (at least 30 units per acre for Santa Monica), no analysis is required. (Gov. Code, § 65583.2, subd. (c)(3).) Otherwise, an analysis must demonstrate appropriate densities based on factors such as market demand, financial feasibility and development experience within identified zones. The element states (page F-13) that sites identified for lower-income households can accommodate densities greater than 30 units per acre; however, the inventory assigns maximum densities less than 30 units per acre toward the lower-income RHNA. As a result, the element should explain how these sites can allow up to 30 units per acre or more (without exceptions), include analysis as described above or programs to rezone sites pursuant to Government Code section 65583.2, subdivisions (h) and (i).

Accessory Dwelling Units (ADU): ADUs may be counted toward the RHNA based on past permitted units in the prior planning period, affordability, resources and incentives and other factors. The element organizes recent ADU trends into three categories: in-progress, permits issued and completed. Based on communications, these categories are mutually exclusive; however, the element should clarify that ADUs are not counted across multiple categories. Also, while information on in-progress may be utilized to inform the potential for ADUs in the planning period, the analysis should be based on permitted ADUs and the in-progress information should be ancillary to permitted ADU. Finally, for your information, HCD records indicate permitted ADUs of 20 in 2018, 30 in 2019 and 27 in 2020. These numbers are significantly less than the City's assumptions. The element should reconcile these numbers and adjust assumptions as appropriate

Small Sites: Sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence the site is adequate to accommodate lower income housing. While the element lists some recent development on smaller sites, it should relate these trends to identified sites. For example, almost all of the recent developments, particularly developments 100% affordable to lower-income households, had at least 30 units but the element should also discuss typical sizes on identified sites. This analysis should also relate zoning and allowable densities from recent projects to identified sites. Further, many sites appear to necessitate consolidation. As a result, the element should demonstrate the potential for consolidation. Based on the outcomes of the analysis, the sites inventory should be adjusted as needed and programs should be added or modified.

Infrastructure: The element should clarify sufficient existing and planned total infrastructure capacity (water and sewer) to accommodate the RHNA and include programs, if appropriate.



Water Sewer Priority: 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. The element should discuss compliance with this requirement and if necessary, add or modify programs to establish a written procedure by a date early in the planning period. For additional information and sample cover memo, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/priority-for-water-sewer.shtml>.

Electronic Sites 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. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov) for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov).

Sites with Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element must demonstrate the BTV, MUC, and PL zones have sufficient capacity to accommodate the need for emergency shelters. This analysis should address typical parcel sizes, opportunities for redevelopment or reuse, proximity to transit, services and hazards. In addition, the element should describe how emergency shelter parking requirements comply with AB 139 (Chapter 335, Statutes of 2019) or include a program to comply with this requirement.
- *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 must demonstrate compliance with this requirement and include programs as appropriate.
- *Employee Housing:* The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs. Specifically, 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.
- *Accessory Dwelling Units (ADUs):* The element indicates the City modified its zoning code to ease barriers to the development of ADUs. However, after a cursory review of the City's ordinance, the department discovered several areas which were not consistent with State ADU Law. This includes, but is not limited to, standards for ADUs and JADUs established by converting floor areas of existing structures, as found in section 9.35.025. HCD will provide a complete listing of ADU noncompliance issues under a separate cover. As a result, the element should add a program to update the City's ADU ordinance to comply with State law. For more information, please consult HCD's ADU Guidebook, published in December 2020, which provides detailed information on new state requirements surrounding ADU



development; see link: [https://www.hcd.ca.gov/policy-research/docs/adu\\_december\\_2020\\_handbook.pdf](https://www.hcd.ca.gov/policy-research/docs/adu_december_2020_handbook.pdf). Please also note that any applications for an ADU / Junior Accessory Dwelling Unit (JADU) permit must be permitted in accordance with current state law, regardless of the City's adopted ordinance.

5. *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 all relevant land-use controls impacts as potential constraints on a variety of housing types. 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, affordability, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints.

Fees and Exaction: The element must describe all required fees for single family and multifamily housing development, including planning and impact fees, and analyze their impact as potential constraints on housing supply, cost, timing and affordability. While the element identifies these fees, the City should also analyze the impacts of these fees and include programs as appropriate. For example, the element should address planning fees for conditional use permits. The element should also address the total fees for 3-Unit/Condominium developments (page E-38) and typical multifamily development. Finally, the element should evaluate the cumulative impact of fees on development costs instead of sales prices. For additional information and a sample analysis and tables, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/fees-and-exactions.shtml>.

Local Processing and Permit Procedures: The element describes the Development Review Permit (DRP) and Architectural Review Board (ARB) discretionary processes (pages E-43, E-44) but must also analyze impacts on housing cost, supply and approval certainty. For example, the analysis should address approval findings such as "...both compatible and relate harmoniously to surrounding sites and neighborhoods", "...expressive of good taste, good design, and in general contributes to the image of Santa Monica as a place of beauty, creativity and individuality.", "inferior quality" "...cause the nature of the local neighborhood or environment to materially depreciate in appearance and value.", and "... compatible with developments on land in the general area." Based on the findings of the additional analyses, programs may need to be added or modified to address identified constraints.

SB 35 Streamlined Ministerial Approval Process: While the element notes the City is not subject to SB 35 (Chapter 366, Statutes of 2017), conditions may change in the 6<sup>th</sup>

cycle planning period. As a result, the element should clarify whether the City has a written procedure and if not, add or modify programs as appropriate.

Codes and Enforcement: While the element provides a general description on implementation of the building code, the element must also identify any local amendments to the building code and analyze their impact as potential constraints on housing supply and affordability

On-/Off-Site Improvements: The element describes the City may require on- and off-site improvements but should also identify and analyze the actual standards for impacts on the cost and supply of housing. 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>.

Constraints on Housing for Persons with Disabilities: The element must include analysis of potential constraints on housing for persons with disabilities, as follows:

- *Reasonable Accommodations:* The element should generally describe and analyze approval findings for reasonable accommodation.
- *Group Homes for Seven or More Persons:* The element appears to indicate that some group homes for seven or more persons are excluded from single-family zones and subject to a conditional use permit. The element should specifically analyze these constraints for impacts on housing supply and choices and approval certainty and objectivity for housing for persons with disabilities and add or modify programs as appropriate.
- *Definition of a Family/Household:* The element defines a Household as “One or more persons living together in a single dwelling unit, with access to and use of all common living and eating areas and all common areas and facilities for the preparation and storage of food and who maintain a single mortgage, lease, or rental agreement for all members of the household (page E-32).” The element should analyze the provision to “maintain a single mortgage, lease, or rental agreement for all members of the household”, whether this is a potential constraint on housing for persons with disabilities and add or modify programs as appropriate.

6. *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. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality’s planning for the development of housing for all income levels and the construction of that housing. (Gov. Code, § 65583, subd. (a)(6).)*

Time between Approval and Building Permit: The element must analyze the length of time between receiving approval for a housing development and submittal of an application for building permits and any hinderance on the construction of a locality's share of the regional housing need.

7. *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).)*

Farmworkers: The element states (page B-33) Santa Monica does not support the agriculture industry and there is no need for farmworkers. Farmworkers from the broader area and those employed seasonally may have housing needs. As a result, the element should at least acknowledge the housing needs of permanent and seasonal farmworkers at a county-level (e.g., USDA county-level farmworker data) and include programs as appropriate.

8. *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).)*

The element identifies certain “at-risk” projects and provides basic analysis and assessment but should also expand the list of eligible entities. Qualified entities are public and private non-profit corporations known to the City to have the legal and managerial capacity to acquire and manage at-risk units. For more information, please see <https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>.

## **B. Housing Programs**

1. *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 A4, 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:

- *Shortfall of Sites*: The parcel listing indicates some sites will need to be rezoned to accommodate the regional housing needs allocation. If so, program(s) must specifically commit to acreage, allowable densities and anticipated units. In addition, if necessary, to accommodate the housing needs of lower-income households, program(s) should specifically commit to rezoning pursuant to Government Code section 65583.2, subdivisions (h) and (i).
  - *Program 1A (Streamlined Approvals for Housing Projects)*: This program should clarify the allowance of by-right developments for sites identified in previous cycles if the project includes at least 20 percent affordable housing pursuant to Government Code Section 65583.2.
  - *Replacement Housing Requirements*: The housing element must include a program to provide replacement housing (Gov. Code, § 65583.2, subd. (g)(3)). The replacement housing program must adhere to the same requirements as set forth in Government Code section 65915, subdivision (c)(3).
  - *City-Owned Sites*: Program 2B (Right of First Offer Ordinance): The program should go beyond explore and commit to establish an ordinance or some other similar mechanism. Program 2E (Affordable Housing on City-owned/Publicly-owned Land) should go beyond assessing properties and commit to steps and a schedule to facilitate development on City-owned sites. In addition, if zoning at appropriate densities is necessary, Program 2E should commit to rezoning pursuant to Government Code section 65583.2, subdivisions (h) and (i).
2. *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).)*

Program 2F (New Affordable Housing Finance Programs): While this program commits to leveraging new sources of state, federal and philanthropic funding for special needs housing, it should go beyond exploring new financing tools and commit to pursue and assist with funding or support funding applications on a regular basis (e.g., at least annually). In addition, the program should include regular outreach (e.g., at least annually) to developers of affordable housing and explicit commitment to assist in the development of housing affordable extremely low-income (ELI) 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. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

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 A5 and A6, the element requires a complete analysis of potential governmental and non-governmental 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:

- *Program 1B (Streamline the Architectural Review)*: While the program commits to adopt new streamlining procedures, it should include specific commitments to address identified constraints such as approval findings as noted in Finding A5.
  - *Program 1D (Explore Reducing or Eliminating Parking Requirements)*: In addition to exploring changes to parking requirements, the program should commit to actual modifications of parking requirements.
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 requires a complete analysis of AFFH. Depending upon the results of that analysis, the City may need to revise or add programs to affirmatively further fair housing. In addition, Program 4D (Rezoning Selected Portions of R1 Zone Neighborhoods) notes historical practices have perpetuated segregation and hinder fair access to housing. As a result, the program should go well beyond exploring options and must commit to meaningful and sufficient actions to overcome patterns of segregation and foster inclusive communities. These actions should not be limited by the regional housing needs allocation and must include metrics and milestones as noted under Finding A1.

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 3C: Facilitate the Conservation of Restricted and Non-Restricted At-Risk Housing:** This program commits the City to annual monitoring of its affordable housing stock at-risk of conversion to market rate. The program should be revised to commit the City to noticing residents and owners of potential conversion dates, coordinating with qualified entities for potential purchase, and to seek funding assistance specifically for these type projects.

### **C. 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).)*

The element provides a summary of quantified objectives starting on page 95 of the policy document. These objectives include new construction and rehabilitation but must also include conservation objectives by income group. Conservation objectives may include the variety of strategies employed by the City to promote tenant stability and the preservation of units at-risk of conversion to market rate uses. In addition, the element includes rehabilitation objectives for approximately 58 units in the 8-year planning period, and HCD encourages the City to reconsider increasing these objectives.

### **D. 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)(8).)*

The element describes the City took a two-part approach to public participation: (1) outreach meetings and (2) inter-department collaboration. Based on communications between HCD and the City, public participation was much broader to include all economic segments of the community. The element should describe these efforts, results and how comments were incorporated into the element.

### **E. Consistency with General Plan**

*The Housing Element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)*

For your information, some General Plan element updates are triggered by housing element adoption. For example, a jurisdiction must address environmental justice in its General Plan by the adoption of an environmental justice element, or by the integration of environmental justice goals, policies, and objectives into other General Plan elements upon the adoption or next revision of two or more elements concurrently on or after January 1, 2018. (Gov. Code, § 65302, subd. (h).) In addition, the safety and conservation elements of the General Plan must include analysis and policies regarding fire and flood hazard management and be revised upon each housing element revision. (Gov. Code, § 65302, subd. (g).) Also, the land-use element must identify and analyze disadvantaged communities (unincorporated island or fringe communities within spheres of influence areas or isolated long established legacy communities) on, or before, the housing element's adoption due date. (Gov. Code, § 65302.10, subd. (b).) HCD reminds the City to consider these timing provisions. 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](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and [http://opr.ca.gov/docs/Final\\_6.26.15.pdf](http://opr.ca.gov/docs/Final_6.26.15.pdf).