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December 28, 2021

Shane Stueckle, Deputy Town Manager Town of Yucca Valley 57090 Twentynine Palms Highway Yucca Valley, CA 92284

Dear Shane Stueckle:

RE: Town of Yucca Valley's 6th Cycle (2021-2029) Revised Draft Housing Element

Thank you for submitting the Town of Yucca Valley's (Town) revised draft housing element received for review on October 29, 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.

The draft element addresses many statutory requirements; however, the following revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code):

 Affirmatively further[ing] fair housing (AFFH) in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)

Promote AFFH 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).)

The element includes some data and information regarding AFFH but still must revise and/or add data, analysis, and programs to address this statutory requirement, as follows:

<u>Sites Inventory Analysis</u>: The element included a high-level analysis of the location of sites relative to low-high opportunity areas and impact on specific fair housing components such as lower-income and cost burdened households and

access to opportunity. However, this analysis is insufficient to demonstrate the site inventory affirmatively furthers fair housing. The element should analyze the location of all sites by income group and the number of units, magnitude of the impact on existing patterns of socio-economic characteristics, any isolation of the sites and number of units by income group.

<u>Strategies and Actions</u>: The revised element included and modified several programs to address AFFH requirements. However, the following changes must be made to facilitate meaningful change and overcome fair housing issues.

- Meaningful Impact Programs and actions must have specific commitments that facilitate meaningful change in overcoming contributing factors and fair housing conditions. HCD's prior review stated that the element needs to describe how each program will be implemented. While the revised element included some changes to programs, the following still needs to be addressed:
 - Program H1-3: This program commits to promoting Accessory Dwelling Units (ADUs) in high resourced areas and areas of concentrated poverty. The program will promote ADUs through preapplication meetings and on the Town's website. The element relies on ADUs to provide affordable housing choices and enhance mobility options in both high and low resourced areas. This program must include actions that are proactive such as including specific timeframes for updating the Town's website on ADUs, developing marketing materials, and making them available through a variety of venues such as Town meetings, public events, community center, etc., and proactively reaching out to homeowners.
 - Program H2-1: This program commits to promoting high density development in high resourced areas through pre-application meetings and the Town's website. However, this program needs to clarify whether the Town permits high density housing in these areas, if any zoning changes are needed, commitments for potential zoning changes, and proactive efforts to promote development beyond updating the Town's website.
 - Program H3-4: This program states that the Town will coordinate with the County Housing Authority to promote acceptance of housing choice vouchers in high opportunity areas. The program needs to describe how coordinating with the housing authority will result in promoting housing choice vouchers. For example, the program should specify if the Town will be establishing an education program, identifying strategies to increase awareness and acceptance, etc.,

- Place-based Strategies: The element indicates that the majority of the Town's lower-income regional housing needs allocation (RHNA) sites are in census tracts with several fair housing conditions (central Yucca Valley) included concentrated poverty and low access to opportunities. Additionally, the current analysis demonstrates that the above moderate RHNA is in census tracts with concentrated areas of wealth, minimal fair housing issues, and high access to opportunity. To promote community revitalization and address disparate impacts on accessing opportunities, the element contains programs committed to recruiting residents to help make local decisions, promoting the CalWORKs program and connecting residents to housing choices in high opportunity areas. These actions on its own are not sufficient place-based strategies to overcome this pattern. The element must have commensurate programs with strong place-based strategies for community revitalization.
- *Metrics* several programs did not include any metrics to evaluate and measure progress over the planning period including Program H1-3, H2-1, H2-2, H3-1, H3-4, H3-7, and H5-3.
- 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).)

Zoning for Lower RHNA: As noted in the prior review, the element indicated that the Town required the approval of a specific plan for multifamily and mixed-use development in the C-MU zone. HCD's findings stated that the element must clearly state whether the C-MU zone's current zoning and development standards allows for multifamily and mixed-use developments as identified in the inventory. In response, the revised element included a program removing the specific plan requirement but included no discussion about current zoning and development standards (pg. 92). The revised element still states that a specific plan is required (essentially rezoning) to permit residential in the C-MU zone. As a result, the element must include programs to rezone sites with appropriate zoning and development standards. Programs to rezone sites may trigger various by-right requirements pursuant to Government Code section 65583.2, subdivision (h) and (i). Please see HCD's October 11, 2021 review for more information.

<u>Realistic Capacity</u>: HCD's prior review found that the element must provide an analysis to support assumptions related to realistic capacity for residential-only zoned and mixed-use sites. While the revised element included an analysis of

development standards for each zone, it's impact on meeting realistic capacity calculations and included a program to allow 100 percent residential in mixed-use zones, the element still needs to analyze the likelihood of nonresidential uses on mixed-use sites. The element could discuss performance standards (i.e., allowing 100 percent nonresidential uses), local and regional trends related to commercial/office space, and discussions from property owners or developers.

Zoning for a Variety of Housing Types – Emergency Shelters (Program H1-4): As stated in the prior review, HCD cannot find the element in compliance until the Town completes the appropriate zoning to permit emergency shelters without discretionary action. Additionally, the revised element listed proposed development standards for emergency shelter zoning (pg. 102), including requiring a minimum of 300 ft separation requirement; however, state law only allows a maximum of 300 ft separation requirement. The element should describe compliance with these requirements or include programs as appropriate.

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).)

<u>Housing for Persons with Disabilities</u>: HCD's prior review found that the Town must analyze the reasonable accommodation (RA) findings and include a program to address the identified constraints. While the revised element included a statement that the Town reviewed its practices and determined that the RA findings were not a constraint, it did not analyze the RA finding related to impacts on surrounding uses. This finding is similar to typical findings for other conditional use permits (CUPs) in the Town. However, granting a reasonable accommodation should be a unique exception process from a CUP. While the element included Program H5-2 to make amendments if constraints are found, given its importance in addressing barriers to housing for persons with disabilities, the program must commit to removing constraints, namely the "potential impact on surrounding uses" approval finding.

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

As a reminder, the Town's statutory deadline to adopt a housing element is October 15, 2021. For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of this statutory deadline, then any rezoning to accommodate the RHNA, including for lower-income

households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Pursuant to Government Code section 65583.3, subdivision (b), the Town 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 Town can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the Town must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the Town should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the Town will meet housing element requirements for these and other funding sources.

HCD is committed to assisting the Town in addressing all statutory requirements of State Housing Element Law and appreciates your efforts in the preparation of your revised draft element. If you have any questions, please contact Gerlinde Bernd at <u>Gerlinde.Bernd@hcd.ca.gov</u>.

Sincerely,

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Melinda Coy Senior Housing Accountability Manager