

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

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December 9, 2021

Aaron Palmer, City Manager
City of Live Oak
9955 Live Oak Blvd
Live Oak, CA 95953

RE: City of Live Oak's 6th Cycle (2021-2029) Adopted Housing Element

Dear Aaron Palmer:

Thank you for submitting the City of Live Oak's (City) housing element adopted on September 8, 2021 and received for review on September 13, 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 adopted housing element addresses some statutory requirements noted in our September 8, 2021 review; 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 May 15, 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 in this review, 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.

For your information, some general plan element updates are triggered by housing element adoption. For information, please see advisories 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.

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We appreciate the hard work and dedication consultant Kevin Valente provided. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law and look forward to receiving additional revisions. If you have any questions or need additional technical assistance, please contact Irvin Saldana, of our staff, at Irvin.Saldana@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF LIVE OAK

The following changes are necessary to bring the City's Adopted 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 (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).)*

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): While the element includes some broad discussion and conclusions, it must identify and analyze sites throughout the community to foster inclusive communities and affirmatively further fair housing. For example, the analysis should address the location of 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 and then conclude whether the identified sites improve or exacerbate each of the fair housing issue areas. For more information, See HCD's guidance at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

Local Data and Knowledge: The element must include local data and knowledge to discuss and analyze any unique attributes about the City related to fair housing issues. This 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.

Other Relevant Factors: While the element includes some general information on ownership trends and lending outcomes, it must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element should analyze historical land use, zoning, governmental and nongovernmental spending including transportation investments, other demographic trends, historical patterns of segregation, or other information that may have impeded housing choices and mobility.

Goals, Actions, 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.

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).)*

Realistic Capacity: The element was not revised to address this requirement. Please see HCD's prior review.

Large/Small Sites: The element was not revised to address this requirement. Please see HCD's prior review.

Previously Identified Nonvacant and Vacant Sites: The element was not revised to address this requirement. Please see HCD's prior review.

Zoning for Lower-Income Households: While the element generally describes that zoning is established to facilitate affordable development, it provides no analysis and generally was not revised to address this requirement. Please see HCD's prior review.

Accessory Dwelling Units (ADUs): The revised element now anticipates 90 ADUs will be permitted during the duration of the planning period. The anticipated ADU figures appear to be based on four ADUs permitted since 2019 and recent changes to law but the element provides no evidence of how many ADUs were permitted in the prior planning period or since 2018. Further, the City has not reported any permitted ADUs as part of its annual progress report. Essentially, the element provides no information to support an assumption of 90 ADUs per year and should be revised with analysis to support or rescale assumptions. The analysis should be based on the number of ADUs developed in the prior housing element planning period, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors.

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 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.

Zoning for a Variety of Housing Types: The element generally was not revised to address this requirement. Please see HCD's prior review.

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).)*

Housing for Persons with Disabilities: As mentioned in HCD's September 8, 2021 review, the element should describe the City's reasonable accommodation process and decision-making criteria including approval findings and analyze any potential constraints on housing for persons with disabilities. While the revised element includes Program 10 (p. 6-10) that commits to establishing RA procedures, the element should still include analysis of approval findings and other provisions to better formulate Program 10.

Zoning, Development Standards, and Fees: As noted in the prior review, the element must still clarify its compliance with new transparency requirements for posting all zoning, development standards and fees on the jurisdiction's website and add a program to address these requirements, if necessary.

Local Ordinances: As noted in the prior review, the element must specifically analyze any locally adopted ordinances that impact development such as inclusionary ordinances or short-term rental ordinances that directly impact the cost and supply of residential development.

SB 35 Streamlined Ministerial Approval Process: The element now notes the City has not received applications pursuant to SB 35 (Chapter 366, Statutes of 2017) but must still clarify whether there are written procedures and add a program, if necessary, to address this requirement.

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).)*

The revised element generally did not address this requirement. While the element now includes analysis on the availability of financing (pp. 3-2 - 3-3), it must still analyze other nongovernmental constraints, including the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the sites inventory, and the length of time between receiving approval for a housing development and submittal of an application for building permits.

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... .. without rezoning... (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.

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).)*

The element does not address this requirement. The element must include a program which specifically assists in the development of adequate housing to meet the needs of lower- and moderate-income households, including extremely low-income households and persons with special needs. Program actions could include proactive outreach and assistance to non-profit service providers and developers, prioritizing some funding for housing developments affordable to special needs households and offering financial incentives or regulatory concessions 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 A2 and A3, the element requires a complete analysis of potential 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.

4. *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... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element does not include a complete assessment of fair housing, based on the outcomes of a complete assessment, the element must add or modify programs.

5. *Develop a plan that incentivizes and promotes the creation of ADU that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. (Gov. Code, § 65583, subd. (c)(7).)*

As noted in the prior review, programs must still be added or modified to amend or establish an ordinance in compliance with state law and include incentives to promote the creation and affordability of ADUs. Examples include exploring and pursuing funding, modifying development standards and reducing fees beyond state law, increasing awareness, pre-approved plans and homeowner/applicant assistance tools.

C. Public Participation

Include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort. (Gov. Code, § 65583, subd. (c)(9).)

As noted in HCDs prior review, the City must proactively employ outreach methods and make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including revising the document where appropriate. HCD's future review will consider the extent to which the revised adopted element documents employed additional methods and 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.