

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

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October 7, 2024

Jennifer Clark, Director
Planning and Development Department
City of Fresno
2600 Fresno Street, Third Floor
Fresno, CA 93721

Dear Jennifer Clark:

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

Thank you for submitting the City of Fresno's (City) revised draft housing element received for review on August 8, 2024, including revisions that were received on October 2, 2024. The revisions were posted and made available to the public prior for seven days prior to review. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Leadership Counsel for Justice and Accountability pursuant to Government Code section 65585, subdivision (c).

The revised draft element, including revisions, addresses most statutory requirements described in HCD's February 1, 2024 review; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq), as follows:

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).)*

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).)

Racially/Ethnically Concentrated Areas of Poverty (R/ECAP): The element includes information relative to areas of High Segregation and Poverty, including comparisons to other neighborhoods and a general history of factors that led to existing conditions. However, the element should also expand the discussion of characteristics of these areas and changes over time. For example, the element

could consider a specific and individual description of each of the R/ECAPs including past and current neighborhood conditions, disparities in access to opportunity, effectiveness of past policies and investments and unique opportunities to promote equitable quality of life. This analysis should incorporate public participation and targeted outreach to better examine needs and formulate appropriate policies and programs.

Programs: As noted above, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the City may need to add or revise programs. Goals and actions must be significant and meaningful enough to overcome identified patterns and trends. In addition, programs should be revised, as follows:

- *Geographic Targeting and Metrics*: Some programs should include geographically targeted metrics. For example, a geographically targeted metric could be 30 percent of anticipated affordable development in relatively higher resource areas, including concentrated areas of affluence. Examples of Programs that should include geographically targeted metrics include Programs 3 (Accessory Dwelling Units), 5 (Large and Small Lot Development), 10 (Annual Reporting), 12 (Local Housing Trust Fund), 13 (State and Federal Funding), 16 (Community Land Trust), 19 (Home Buyer Assistance) and 32 (Opportunity to Purchase Act). In addition, Programs 23 (Code Enforcement) and 36 (Homeless Assistance) should include geographic targeting such as focused efforts in the Downtown area.
- *Racially Concentrated Areas of Affluence (RCAA) and High Resource*: Programs should incorporate RCAs into geographic targeting and should consider geographic targeting beyond “high resource” (e.g., relatively higher resource and income areas). Examples of programs to modify include Program 2 (Housing in High Resource Areas), 11 (Incentives for Housing Development) and 20 (Housing Choice Vouchers).
- *Metrics*: Some programs should include metrics or numerical objectives. Examples include Programs 18 (Mixed Income Neighborhood Trust), 27 (Environmental Justice) and 32 (Opportunity to Purchase Act). In addition, metrics should be increased for Programs 2 (Housing in High Resource Areas – Missing Middle Objectives) and 33 (Mobile Home Parks).
- *Specific Commitments*: Programs should include specific commitment to meaningful affirmatively furthering fair housing (AFFH) outcomes in the planning period. Program 2 (Housing in High Resource Areas) could expand ministerial approval near transit to zones beyond mixed zones. Programs 5 (Large and Small Lot Development) and 10 (Annual Reporting) should commit to make changes as appropriate based on a review and input. Program 35 could also commit to complying with replacement requirements pursuant to the Housing Crisis Act (Gov. Code,

§ 66300). Program 2 should commit to incorporate AFFH into decisions beyond project approvals and should also include denials and any other decision-making including funding awards.

- *Timing:* Some programs should include earlier or discrete timing (e.g., at least annually) to have a beneficial impact in the planning period. Program 27 (Environmental Justice) should complete the first tracking report earlier than 2029 (e.g., 2027). Program 29 (Equitable Engagement) should consider timing such as “at least annually and ongoing.”
- *Specific Plans:* The element mentions various plans (e.g., Southwest Fresno Specific Plan) and related activities toward community revitalization and should commit to implement the plans including evaluating effectiveness and making adjustments as appropriate to assure achieving their objectives.

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).)*

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... (Gov. Code, § 65583, subd. (c)(1).)

Publicly-Owned Sites: While the element now describes the status of publicly-owned sites, it should still discuss any known barriers to development in the planning period. Based on the outcome of this analysis, the element should add or modify Program 17 (Surplus Public Lands). Further, Program 17 should commit to comply with the Surplus Land Act (e.g., minimum of 15 percent affordability instead of 10 percent) and specified dates of completion for when unsurplused sites will be surplused, final entitlements and issued building permits.

Program 1 (Maintain Adequate Sites): The Program commits to monitor “pipeline” projects and take action if entitlements expire. In addition, this Program should commit to monitor progress toward completion in the planning period and take appropriate action if projects are not anticipated to be completed in the planning period.

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/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

3. *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).)*

The City must continue to employ a variety of methods to gather input from all segments of the community, beyond making the document available as part of future revisions and submittals. These efforts should specifically target individuals and organizations that represent lower-income and special needs households, including residents or representatives of R/ECAPs. HCD encourages the City to consider any input and make adjustments, as appropriate, to better address the housing needs of the City. Please be aware, any revisions to the element must be posted on the local government's website and emailed with 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.

In addition, HCD received comments on this revised draft and the City should consider these comments and make adjustments, as appropriate. Examples of topics include outreach, tenant stabilization, replacement requirements, increasing industrial uses without buffers in areas planned for mixed neighborhood uses and specific commitment and discrete timing in programs to assure a beneficial impact in the planning period.

The element will meet the statutory requirements of State Housing Element Law once it has been revised, adopted, submitted to, and reviewed by HCD to comply with the above requirements, pursuant to Government Code section 65585.

As a reminder, the City's 6th Cycle housing element was due December 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, adopt, and submit to HCD to regain housing element compliance.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City did not adopt a compliant housing element within 120 days of the statutory

deadline (December 31, 2023), if applicable, programs to make prior identified sites available or rezone to accommodate the remaining regional housing needs allocation (RHNA) must 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). Please be aware, if the City does not adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until all necessary rezones are completed pursuant to Government Code sections 65583, subdivision (c)(1)(A) and 65583.2, subdivision (c).

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 Affordable Housing and Sustainable Communities program, 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. 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 hard work and dedication of the City's housing element team during the housing element update. 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 Thomas Brown, of our staff, at Thomas.Brown@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager