

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

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October 27, 2023

Lee Butler, Director
Planning and Community Development Department
City of Santa Cruz
809 Center Street, Room 107
Santa Cruz, CA 95060

Dear Lee Butler:

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

Thank you for submitting the City of Santa Cruz's (City) revised draft housing element received for review on August 30, 2023, along with revisions that were received on October 20, 2023. The review was facilitated by a conversation on October 4, 2023, with you, Eric Marlatt, Assistant Director; Mathew VanHua, Principal Planner; and Ines Galmiche, consultant. In addition, the California Department of Housing and Community Development (HCD) considered comments from Santa Cruz YIMBY and COPA pursuant to Government Code section 65585, subdivision (c). Pursuant to Government Code section 65585, HCD is reporting the results of its review.

The revised draft housing element addresses most statutory requirements described in HCD's August 8, 2023, letter; however, revisions are necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq), as follows:

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

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites, including evaluating the extent existing uses impede additional development. To address this requirement, the element explains development classifications or redevelopment types, then lists some recent redevelopment trends and identifies sites by development

classification. However, the element should expand the discussion of recent development trends to better relate the experience in redevelopment to identified sites, particularly for Development Classes A and C. For example, Development Class A is aging commercial uses and a typical description in the inventory explains the extent of existing improvements. Therefore, the listing of recent trends (Table G-3) should also discuss the extent of existing improvements or other circumstances that indicate redevelopment potential to better relate recent trends to identified sites.

In addition, the element must still evaluate the extent existing uses impede additional development such as evaluating existing leases or other contracts or conditions that would perpetuate the existing use or prevent additional residential development, lack of improvements and frequent turnover in uses. This analysis may be conducted on a site opportunity area basis (e.g., corridor, infill, other)

Finally, based on a complete analysis, the element may need to add or modify programs to address a shortfall of sites or incentivize redevelopment of nonvacant sites.

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

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 must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email 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.

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.

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. 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>.

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 Jose Armando Jauregui, of our staff, at jose.jauregui@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