

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

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December 20, 2021

Melanie McCann, Principal Planner
Planning and Building Agency
City of Santa Ana
20 Civic Center Plaza
P.O. Box 1988
Santa Ana, CA 92702

Dear Melanie McCann:

RE: City of Santa Ana's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Santa Ana's (City) draft housing element received for review on October 10, 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 December 17, 2021, with you, Ricardo Soto, Jerry Guevara, Fabiola Zelaya Melicher, and Holli Safran. Pursuant to Government Code section 65585, subdivision (c), HCD must consider third party comments in the preparation of its findings. However, due to receiving the Kennedy Commission's comments on December 17, 2021 HCD was unable to fully examine the information and consider the comments as part of this review. Consequently, HCD will retain the comments for full consideration in the next review of the housing element.

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 revisions needed to comply with State Housing Element Law.

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

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 the statutory deadline (October 15, 2021), then any rezoning to accommodate the regional housing needs allocation, 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).

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 meets 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: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melinda Coy', with a long horizontal stroke extending to the right.

Melinda Coy
Senior Housing Accountability Manager

Enclosure

APPENDIX CITY OF SANTA ANA

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)).*

Enforcement and Outreach: The element states that the City coordinates with the Orange County Fair Housing Council to provide fair housing services (page E-5), but does not generally address this requirement. 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, include information on fair housing outreach capacity, and discuss any past or current fair housing lawsuits, findings, settlements, judgements, or complaints.

Regional Analysis and Patterns and Trends: The element generally describes local patterns and trends but must also analyze Santa Ana relative to the rest of the region regarding integration and segregation, disparities in access to opportunity, particularly relating to access to educational opportunities, and disproportionate housing needs and displacement risks. In addition, while the element provides data and some analysis regarding the patterns of various socio-economic characteristics, it should also generally discuss and analyze trends over time for the various socio-economic characteristics.

Local Data and Knowledge, and Other Relevant Factors: The element generally does not address this requirement. 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. The analysis should also consider other relevant factors that contribute to fair housing issues in the jurisdiction, such as public participation, past policies, practices, and investments and demographic trends. For instance, the element can analyze historical land use and investment practices or other information and demographic trends.

Integration and Segregation: While the element contains analysis for segregation and integration of race and ethnicity, income, and persons with disabilities, it must also include analysis for familial status.

Racial/Ethnic Areas of Concentration of Poverty (R/ECAP): The element includes information relative to R/ECAP, but the analysis must be complemented by quantitative evidence for the local and regional comparison. In addition, the City should also analyze the racial concentrations as it relates to areas of affluence if the City does not have areas of concentrated poverty. The combination in the R/ECAP and areas of affluence analyses will help guide goals and actions to address fair housing issues.

Disproportionate Housing Needs and Displacement Risk: While the element does include data on overcrowded households, substandard housing conditions, and cost burdened households, it must also include data and analysis for persons experiencing homelessness and displacement risk.

Contributing Factors: The element mentions fair housing issues and goals and priorities from the City's Analysis of Impediments. However, these issues and goals do not appear to be rooted in any analysis related to Santa Ana and do not appear adequate to facilitate the formulation of meaningful action to affirmatively furthering fair housing (AFFH). The element should re-assess contributing factors upon completion of analysis and make revisions as appropriate.

Site Inventory: While the element includes a brief discussion on the location of sites related to transit amenities (page E-18), it does not address this requirement. The element must include an analysis demonstrating whether sites identified to meet the regional housing needs allocation (RHNA) are distributed throughout the community in a manner that AFFH. A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that effects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to mitigate this (e.g., anti-displacement strategies).

Goals, Priorities, Metrics, and Milestones: Goals and actions must create meaningful impact to overcome contributing factors to fair housing issues. Currently, programs are not sufficient to facilitate meaningful change and

address AFFH requirements. 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. *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 Conditions: The element estimates the age of the housing stock and also provides an estimate of rehabilitation needs using ACS data from 2014-2018 (beginning on Page A-36). However, the City should also use local data to 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 builders/developers, including non-profit housing developers or organizations.

3. *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).)*

The City has a regional housing need allocation (RHNA) of 3,137 housing units, of which 968 are for lower-income households. To address this need, the element relies on existing pipeline projects, vacant and nonvacant sites, and sites in mixed-use zones. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Pipeline Projects Credited Toward RHNA: The element assumes credit for 6,178 units which had been approved, permitted, or received a certificate of occupancy after June 30, 2021 of which 414 units are for very low-income, 689 units are for low-income, 205 units are for moderate-income, and 4,870 are for above moderate income. This leaves a remaining need of 192 very-low income, and 340 moderate-income units. Table C-2, Pipeline Housing Projects, list all projects the City is using toward crediting the RHNA needs. However, the status of each pipeline project is unclear. The element should be revised to state when the projects are expected to be constructed and whether the units will be available within the planning period.

Sites Inventory: The sites inventory assigns all site capacity to lower-income levels but does not assign sites to cover the remaining moderate-income RHNA

need. The element should be revised to provide a clear analysis on how the City intends on meeting its moderate-income RHNA needs and adjust the sites inventory accordingly.

Realistic Capacity: While the element provides basic analysis on calculating capacity on sites zoned for nonresidential uses, e.g., commercial, and mixed-use zones, the estimate must also account for land use controls such as allowing 100 percent nonresidential uses. To demonstrate the likelihood for residential development in nonresidential zones, the element could describe any performance standards mandating a specified portion of residential and any factors increasing the potential for residential development such as incentives for residential use, and residential development trends in the same nonresidential zoning districts.

Suitability of Nonvacant Sites: The element gives each site in the inventory a site rating, however it does not discuss what factors are used in the rating system and ratings indicate. Additionally, the analysis should describe why and how the factors demonstrate that these sites are suitable for addition residential development within the planning period. Furthermore, the element should describe any other factors considered in determining the potential for development such as expressed interest in redevelopment, any environmental factors that would inhibit development within the planning period, and incentives to facilitate development on these sites.

Small Sites: The element identifies several lower-income sites at less than a half-acre towards its lower-income need, particularly in the Harbor Corridor Specific Plan. If the City continues to rely on sites smaller than a half-acre in size to accommodate the lower-income housing needs it must demonstrate, with sufficient evidence, 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 other evidence is provided. the element must provide specific examples with the densities and affordability. For sites expected to be aggregated, the element must describe circumstances leading to consolidation, such as common ownership, the City's role or track record in facilitating small-lot consolidation, policies or incentives offered or proposed to encourage and facilitate lot consolidation, specific examples of projects that were built for lower-income households on similarly sized sites, densities and affordability and relate those examples back to the sites inventory. Based on a complete analysis, the City should consider adding or revising programs to include incentives for facilitating development on small sites.

Suitability and Availability of Infrastructure: While the element describes water and sewer infrastructure, it must also demonstrate sufficient existing or planned dry utilities supply capacity, including the availability and access to distribution facilities to accommodate the City's regional housing need for the planning period (Gov. Code, § 65583.2, subd. (b).).

Sites with Zoning for a Variety of Housing Types:

- Emergency Shelters: The element states that the City will amend the separation criteria and introduce an Emergency Shelter Overlay to various zones (page B-13). However, it is unclear as to where emergency shelters are currently allowed without discretionary approval and current required development standards. Additionally, the element does not state if the City intends on complying with AB 139 parking requirements. The element should be revised to clarify what the City is doing and to specifically state development standards and compliance with AB 139.
 - Transitional and Supportive Housing: The element states that the City will need to amend its zoning ordinance to address current laws pertaining to supportive housing as a by-right use (page 27). However, the element must describe and analyze the City's transitional and supportive housing standards and codes and demonstrate consistency with Government Code section 65583, subdivision (a)(5) or add or revise programs which comply with the statutory requirements.
 - Accessory Dwelling Units (ADU): The element indicates the City implemented an ordinance for the development of ADU's. However, after a cursory review of the City's ordinance, the department discovered several areas which were not consistent with State ADU law. The Department will provide a complete listing of ADU non-compliance 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.
4. *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.*

Mixed-Use Zones: While the element provides some description and analysis for development standards in the Metro East, Harbor Corridor, and Transit zones, the element should be revised to describe if 100 percent residential uses are allowed in these zones and describe the approval process for residential developments including how applications are processed.

Housing Opportunity Ordinance: While the element generally describes the affordability requirements for the City's Housing Opportunity Ordinance (page B-34), the analysis must describe and evaluate the ordinance's implementation framework, including levels of mandated affordability and the types of options and incentives offered to encourage and facilitate compliance with the inclusionary requirements.

Zoning and Fees Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning and development standards for each parcel and fees on the jurisdiction's website pursuant to Government Code section 65940.1(a)(1).

On/Off-Site Improvements: While the element provides an analysis of the City's requirements under Article III of the Municipal Code, the element must also identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability.

Codes and Enforcement: While the element provides an analysis regarding various codes and standard adopted by the City pursuant to state law, the element must also describe the City's building and zoning code enforcement processes and procedures, including any local amendments to the building code, and analyze their impact as potential constraints on housing supply and affordability.

Constraints on Housing for Persons with Disabilities: The element currently details that residential care facilities serving six or fewer persons are permitted in all residential zones. However, residential care facilities serving seven or more persons are limited to the same zones with the approval of a conditional use permit. The element should analyze the process as a potential constraint on housing for persons with disabilities and add or modify programs as appropriate to ensure zoning permits group homes objectively with approval certainty.

Reasonable Accommodations: While the element provides an analysis of reasonable accommodation process, the City should provide further analysis on Item 8 on Page B-37 and analyze this item as a potential constraint to requests for reasonable accommodation. Requiring an assessment of a property's compliance with exiting laws and regulations and then requiring existing violations be corrected as part of the request for a reasonable accommodation goes beyond typical findings for approval and could act to requests.

5. *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).)*

Approval Time and Requests for Lesser Densities: The element must include analysis of requests to develop housing at densities below those identified, the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially. The element must address any hinderance on the development of housing and include programs as appropriate.

6. *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).)*

While the element quantifies the City's special needs populations, it must also analyze their special housing needs. For a complete analysis of each population group, the element should discuss challenges faced by the population, the existing resources to meet those needs (availability senior housing units, number of large units, number of deed restricted units, what type of shelters are available, etc.), an assessment of any gaps in resources, and proposed policies, programs, and funding to help address those gaps. The element should be revised to provide complete analyses for all population groups including the following:

Farmworkers: The element states that as of 2018 there were 1,454 agricultural workers but does not fully analyze the breakdown in number of farmworkers in the City or their housing needs. The element should be revised to clarify the number of farmworkers in the City by providing USDA data. The element should also be revised to provide a complete analysis of needs for this population group.

Homeless: The element provides basic data on services for the homeless population but does not offer a complete analysis on what actions the City takes to address housing this population group. The analysis should be revised to provide a complete analysis including types of shelters beds that are available and, if known, the population subgroups served.

7. *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).)*

At-Risk Housing: The element states that there are currently no deed-restricted at-risk units (page A-39), however this is inconsistent with the analysis provided on page C-25 and inconsistent with Table C-7 showing 808 at-risk units. The element should reconcile the information provided in these two sections of the housing element. Additionally, the element must provide cost estimates for replacement of units versus preservation of units and include a complete listing of public and private non-profit corporations known to the City to have the legal

and managerial capacity to acquire and manage at-risk units.

B. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

To address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines (e.g., month, year); (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include the following:

The element must provide discrete timing for all programs (e.g., month, year) to account for how often the action will occur as well as to ensure a beneficial impact throughout the planning period and quantify objectives where feasible. Examples include but are not limited to the following programs: Program 1 (Single-Family Home Rehabilitation), Program 2 (Mobile Home Repair), and Program 3 (Multiple-Family Rental Rehabilitation), Program 9 (Neighborhood Safety), Program 38 (Down Payment Assistance Program), Program 44 (Permanent Supportive Housing), Program 45 (Supportive Services), and Program 49 (Family Housing).

2. *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 B-3, 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, the element should be revised as follows:

Previously Identified Nonvacant and Vacant Sites: The element identifies six nonvacant sites from the previous cycle and five vacant sites from the previous two planning cycles. If nonvacant sites identified in a prior adopted housing element or vacant sites identified in two or more consecutive planning periods, the sites are inadequate to accommodate housing for lower-income households unless:

- The site's current zoning is appropriate for the development of housing affordable to lower-income households by either including analysis or meeting the appropriate density, and
- The site is subject to a housing element program that requires rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households (Gov. Code, § 65583.2, subd. (c).).

Program 16 (Transit Zoning Code), Program 17 (Metro East Mixed-Use Overlay), and Program 19 (Harbor Mixed-Use Transit Corridor Specific Plan): The programs should include specific provisions and incentives to facilitate the development of housing on the sites identified in the sites inventory. The programs could commit to provide financial assistance, regulatory concessions, or incentives to encourage and facilitate new, or more intense, residential development on the sites especially for housing affordable to lower-income households.

Program 18 (Urban Villages): This program should be revised to clarify what amendments are being considered and how those amendments will facilitate development and to provide concrete actions City intends on taking other than consideration.

3. *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 31 (Variety in Household Sizes): This program should be revised to clarify how the City will encourage the development of larger rental households for low- and very low-income families as the objective only points to the extremely low-income program.

4. *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 Finding(s) B-4 and B-5, the element requires a complete analysis of potential governmental and nongovernmental 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.

Program 40 (Care Facilities): This program commits to amending the zoning codes to provide definitions for Community Care Facilities and impose regulatory measures. Zoning should simply implement a barrier-free definition of family instead of subjecting, potentially persons with disabilities, to special regulations. These housing types in many cases are subject to a conditional use permit, potentially subjecting housing for persons with disabilities to higher discretionary standards where an applicant must demonstrate compatibility with the neighborhood, unlike other residential uses.

5. *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 must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. The element must include actions that promote and AFFH opportunities. For example, the element could include a program committing to implement Government Code section 8899.50(b) which requires the City to administer its programs and activities relating to housing and community development in a manner to AFFH and take no action that is materially inconsistent with its obligation to AFFH. In addition, the element could revise the program section to incorporate AFFH throughout tying program actions to addressing trends and patterns identified in the analysis. For example, Program 5 (Neighborhood Infrastructure), Program 6 (Health Neighborhood Initiatives), and Program 8 (Building Community Efforts) could be revised to include prioritization for lower-resourced, underserved areas per the AFFH analysis.

6. *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 35 (Preservation of At-Risk Units) should incorporate state preservation notice law (Gov. Code § 65863.10, 65863.11, and 65863.13) as well as should commit to proactive outreach to property owners regarding interest in renewing affordability restrictions and inform them about the notice requirements.

7. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units 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. For purposes of this paragraph, “accessory dwelling units” has the same meaning as “accessory dwelling unit” as defined in paragraph (4) of subdivision (i) of Section 65852.2. (Gov. Code, § 65583, subd. (c)(7).)*

Programs must be expanded to 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. In addition, given the City’s assumptions for ADUs exceed recent trends, the element should include a program to monitor permitted ADUs and affordability every other year and take appropriate action such as adjusting assumptions or rezoning within a specified timeframe (e.g., 6 months).

C. 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 states that outreach was conducted with community leaders and stakeholders. To demonstrate diligent efforts were made to involve all economic segments of the community, the element should provide a listing of those community leaders or stakeholders that were outreached to and describe the groups they represent. In addition, HCD understands the City made the element available to the public concurrent with its submittal to HCD. By not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the City has not yet complied with statutory mandates to make a diligent effort to encourage the public participation in the development of the element and it reduces HCD’s ability to consider public comments in its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD’s review. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including making revisions to the document where appropriate. HCD’s future review will consider the extent to which the revised element documents 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 letter.

D. 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).)

The element does not meet this requirement. The element must be revised to describe how consistency was achieved and how it will be maintained during the planning period. For example, the element could include a program to conduct an internal consistency review of the General Plan as part of the annual General Plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element.