



# CITY OF DEL REY OAKS

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**DATE:** November 9, 2023  
**TO:** City Council  
John Guertin, City Manager  
**FROM:** Denise Duffy, DD&A, Housing Element Planning Consultant  
**SUBJECT:** 6th Cycle Housing Element Update

## **City of Del Rey Oaks 6<sup>th</sup> Cycle Background**

The Regional Housing Needs Allocation (RHNA) for the 6<sup>th</sup> Cycle was confirmed in October 2022. RHNA is mandated by state law and quantifies needed housing within each jurisdiction during the specified planning periods or cycles. The 6<sup>th</sup> cycle RHNA for the City is 184 units, with assigned 53.26% for low and very-low income (98 units). On March 28, 2023, the City Council approved a contract for DD&A to undertake the needed work to complete the City's 6<sup>th</sup> Cycle Housing Element Update. A series of workshops and public meetings were held in March, May, and July 2023 as more fully described below. Information was also provided to the Planning Commission and City Council via status reports from the City Manager, and written status reports on the progress of the Update process.

## **Housing Element Contents**

Key components of the housing element are set forth under State law (California Government Code Sec. 65583 et seq) and related land use regulations related to housing through the Department of Housing and Community Development (HCD). The Draft 6<sup>th</sup> Cycle Housing Element will include the following components:

1. **Background Information:** A housing needs assessment which identifies and analyzes the existing and projected housing needs within the City by examining demographic, employment, and housing trends and conditions, with attention paid to special housing needs (e.g., seniors, large families, persons with disabilities).
2. **Constraints on Housing Analysis:** An analysis of existing and potential governmental and nongovernmental barriers to housing development.
3. **Housing Resources:** An inventory of resources relevant to meeting the City's housing needs, including a sites inventory for available land to accommodate the RHNA.
4. **Housing Plan:** A statement of goals, policies, quantifiable objectives, and financial resources available for the preservation, improvement, and development of housing.
5. **Evaluation of Past Performance:** Review of the previous Housing Element to measure progress and effectiveness of housing and outreach policies and programs.
6. **Public Participation:** Public outreach and community engagement program, to include all economic segments of the community including any underrepresented groups.

7. Sites Inventory: Identify locations of available sites to ensure there is enough land zoned for housing to meet the future need at all income levels.
8. Affirmative Further Fair Housing (AFFH): Assembly Bill 686 was passed in 2018 as the statewide framework to affirmatively further fair housing (AFFH) to promote inclusive communities, further housing choice, and address racial and economic disparities through government programs, policies, and operations.

### **Public Review Draft 6<sup>th</sup> Cycle Housing Element Update**

After public input and notification, the local review or Public Review Draft 6th Cycle Housing Element Update was published on May 26, 2023. The City published notification of the availability of the draft on the City's website and provided notification via email blast and direct mail. The notice identified the purpose of a housing element and how to provide comments for the 6th Cycle Housing Element prior to the 30-day review period close of June 26, 2023. The May 2023 6th Cycle Draft Housing Element Update was made available on the City's website at: <https://www.delreyoaks.org/commdev/page/6th-cycle-public-review-draft-housing-element-update-may-2023>.

After the close of the 30-day review period, comments were received from the local school district and a local NGO. All comments were posted on the City website. A status report was also posted on the City website detailing the comments and status of the 6th Cycle Housing Element Update at that time.

### **July and August 2023 Status Updates and Hearings**

At the July 12, 2023 Planning Commission meeting, a duly noticed public hearing was held. A presentation provided an overview of the required contents of a Housing Element Update, changes to the May Local Review Draft 6<sup>th</sup> Cycle Housing Element Update and also addressed each of the requirements for a Housing Element, as further described below.

*Sites Inventory.* The City must demonstrate in its Housing Element the ability to meet its RHNA allocation, through the provision of sites suitable for residential development. To meet the assigned housing needs, the Housing Element must identify sites that may be suitable for residential development, including vacant and non-vacant sites throughout the City. The City is required to specify the projected housing type/density for each identified site. State law requires that adequate sites for RHNA be available for the duration of the Housing Element planning period. Drafts of the site inventory analysis were discussed during the March meetings. The draft inventory was presented during the May 3<sup>rd</sup>, May 9<sup>th</sup> and May 17<sup>th</sup> public workshops and hearings. On July 12, 2023, additional presentation and information on the Sites Inventory and public comments were provided related to the City's suitability of selected sites and constraints. The Sites Inventory and selection process is found in Chapter 3 and Appendix C of the Draft 6th Cycle Housing Element Update.

*Policies and Programs.* Per the required Housing Plan, Item 4, above, guidance provides that a housing plan is a *statement of goals, policies, quantifiable objectives, and financial resources available for the preservation, improvement, and development of housing*. The May meetings above also addressed policies and programs of the draft plan. The May 9<sup>th</sup> joint workshop with Planning Commission and City Council provided a review of programs. The Planning Commission

reviewed programs from the 5<sup>th</sup> and 6<sup>th</sup> cycle and provided input on retaining programs and new programs at the July 12, 2023 public hearing, including review of public comments. The meetings were publicly noticed, and the programs and PowerPoint were provided in a staff report also posted on the City's website. The draft policies and programs for the 6<sup>th</sup> cycle may be found in Chapter 7 of the Draft. Additional information on public participation is further presented below.

*Public Participation.* A key requirement of the Housing Element is public participation. The City conducted public workshops and hearings on the City's 6<sup>th</sup> Cycle Update on March 16<sup>th</sup> and March 28<sup>th</sup> prior to initiation of the 6<sup>th</sup> Cycle Update. Additional workshops were conducted on May 3<sup>rd</sup>, and May 9<sup>th</sup>. At the May 3, 2023 and May 9, 2023 workshops, available sites for affordable housing and existing programs were discussed. The May meetings above also addressed policies and programs of the draft plan. The May 9<sup>th</sup> joint workshop with Planning Commission and City Council provided a review of all programs. The Planning Commission reviewed programs from the 5<sup>th</sup> and 6<sup>th</sup> cycle and provided input on retaining the programs and new programs during these meetings, as well as hearings on May 17, 2023. The meetings were publicly noticed, and the programs and PowerPoint were provided in a staff report also posted on the City's website. Additional public input was sought during the Planning Commission meeting on May 17, 2023. The presentation on May 17, 2023 provided the inventory of available sites presented on May 3<sup>rd</sup> and May 9<sup>th</sup>. Information for the draft policies and programs for the 6<sup>th</sup> cycle may be found in Chapter 7 of the Housing Element. An overview of the public participation conducted is presented in the Introduction Chapter and can also be found in Appendix B of the Draft 6<sup>th</sup> Cycle Housing Element Update.

Two comment letters were received on the 6<sup>th</sup> Cycle Housing Element and were posted on the City's website. Planning Commissioners were encouraged to review the letters prior to the July 12<sup>th</sup> meeting in order to be prepared for discussion of the revised program requests. Comments received during the 30-day public review were presented at the July 12, 2023 meeting and included in the packet for the Planning Commissioners. City staff and the City Housing Element consultant requested direction on programs and updates to the program related to the comments received. The public hearing included opportunities for discussion and questions regarding the update and the process. After reviewing written comments received, and opening up the meeting to public comments, Planning Commissioners provided direction on sites inventory and programs and policies. Program revisions were presented and revised programs or additional programs identified. Subsequent to the July meeting, the City Council held a public hearing on August 22, 2023 and considered the revisions and updates to the 6<sup>th</sup> Cycle Housing Element and programs. The 6<sup>th</sup> Cycle programs can be found in the 6<sup>th</sup> Cycle Housing Element Update, Chapter 7.

### **HCD Review Draft 6<sup>th</sup> Cycle Housing Element Update (HCD Review Draft, July 2023)**

It is advantageous to submit a draft for HCD review as early as possible so that timely subsequent reviews may occur. The revisions were completed in July and an HCD Review Draft of the 6<sup>th</sup> Cycle Housing

Element was submitted to HCD for their required 90-day review in July, 2023. The City also posted this HCD Review Draft 6<sup>th</sup> Cycle Housing Element Update on the City's Housing Element webpage.<sup>1</sup>

### **HCD Review Comments**

The statutory deadline for completing the update of the Housing Element for the 6<sup>th</sup> cycle planning period is December 15, 2023. This tight timeline necessitates continued development, review, and collaboration of the documentation. The local 30-day public comment period conducted in May, 2023 and subsequent public participation and hearings in June and July 2023 provided local early input. The City complied with AB 215 requirements prior to submittal of the July 2023 HCD review draft for the required HCD 90-day review period.

HCD mandatory review of Draft Housing Element ended in October 2023. HCD review comments were received on October 18, 2023. The requested revisions from HCD on the draft were presented to the Planning Commission and a public hearing held to accept public testimony on HCD comments at the Planning Commission hearing conducted on November 8, 2023. Two members of the public attended; however, no comments were provided by the public. No viewers were online for the zoom public meeting. Planning Commissioners provided comments and questions related to the HCD comment letter and program revisions. The HCD Review Letter on the City's 6<sup>th</sup> Cycle Housing Element July submittal is included as an attachment to this staff report. HCD provided example programs and these are also attached. The Planning Commission presentation from November 8, 2023 is also included in this staff report packet. The HCD review cover letter and attached comments are also posted to the City's website: [https://www.delreyoaks.org/sites/default/files/fileattachments/community\\_development\\_and\\_planning/page/2692/hcd\\_comments\\_on\\_6th\\_cycle\\_housing\\_element\\_october\\_2023.pdf](https://www.delreyoaks.org/sites/default/files/fileattachments/community_development_and_planning/page/2692/hcd_comments_on_6th_cycle_housing_element_october_2023.pdf).

### **Discussion and Presentation**

The City has met and reviewed the comments with HCD staff and is completing the required revisions and program updates and amendments. HCD staff provided sample programs for City consideration which are attached to this staff report, as well as specific revisions for programs. Revised and new programs were discussed and presented to the Planning Commission and will also be considered at this meeting. Planning Commission and City Council meetings/public workshops for consideration of the 6<sup>th</sup> Cycle and proposed 6<sup>th</sup> Cycle Housing Element Update will continue to be scheduled as needed.

### **Council Consideration and Next Steps:**

- Receive presentation and conduct public hearing on review of HCD review comments and discuss HCD direction on program revisions.
- Update Housing Element Draft to address HCD comments and continue to work with HCD on revisions and meeting statutory requirements during review.

### **Attachments**

1. Summary of Program Revisions from HCD Comment Letter
2. HCD Comment Letter
3. Suggested Program Examples from HCD
4. Planning Commission Presentation from November 8, 2023 Public Hearing

<sup>1</sup> <https://www.delreyoaks.org/cityhall/page/del-rey-oaks-housing-element>

## Attachment 1. Summary of Key Program Revisions from HCD Letter<sup>1</sup>

1. Programs that need to be modified with timelines, specific commitments and quantified metrics include Program A.2 (Mixed-use Zoning), A.3 (Small Lot Development), B.2 (Facilitate Affordability), B.3 (Housing Choice Vouchers).
  - a. In addition, programs should be revised, as follows:
    - i. Program A.2 (Mixed-use Zoning) and B.1 (Develop Inclusionary) commit to researching and providing a report; however, the element needs to include timelines committing to take actions on the outcomes of these reports.
    - ii. Program B.3 (Housing Choice Vouchers) commits to providing pamphlets on specific issues but needs to include a timeline for when these pamphlets will be developed.
2. Revise Program A.1 Shortfall Rezone Program: The element describes a shortfall of sites and indicates rezoning will occur to accommodate the RHNA. In addition, the City has an unaccommodated need from the 4th and 5th cycle of 70 lower-income units. While the element includes Program A.1, it must specifically commit to acreage, allowable densities, anticipated units and affordability and to include all the provisions of Government Code section 65583.2, subdivisions (h) and (i).
3. While the element includes Programs B.2 and B.6 to assist in the development of affordable units, it must also include a program(s) with specific actions and timelines to assist in the development of housing for ELI households and farmworkers. The program(s) could commit the City to adopting priority processing, granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to ELI households; assisting, supporting or pursuing funding applications; and outreach and coordination with affordable housing developers; developing procedures to encourage and facilitate SRO development in the allowable district.
4. Program C.1 “ Review Constraints: The element should include a firm commitment to establishing processes and procedures for SB 35.
5. Reasonable Accommodation: The element noted that the City does not have a formal reasonable accommodation process and uses a variance to process requests. While the analysis indicated that the element includes programs committing to establishing a formal written reasonable accommodation procedure (p. 4-14), the element did not include any corresponding programs. The element must include or modify program(s) committing to establishing an objective written reasonable accommodation procedure.

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<sup>1</sup> Please see Attachment 2 for full comment letter from HCD and Attachment 4 for copy of Planning Commission presentation on program revisions. The HCD review cover letter and attached comments are also posted to the City’s website:

[https://www.delreyoaks.org/sites/default/files/fileattachments/community\\_development\\_and\\_planning/page/2692/hcd\\_comments\\_on\\_6th\\_cycle\\_housing\\_element\\_october\\_2023.pdf](https://www.delreyoaks.org/sites/default/files/fileattachments/community_development_and_planning/page/2692/hcd_comments_on_6th_cycle_housing_element_october_2023.pdf).

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

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**ATTACHMENT 2. HCD COMMENT LETTER**

October 18, 2023

John Guertin, City Manager  
City of Del Rey Oaks  
650 Canyon Del Rey Blvd.  
Del Rey Oaks, CA 93940

Dear John Guertin:

**RE: City of Del Rey Oaks' 6<sup>th</sup> Cycle (2023-2031) Draft Housing Element**

Thank you for submitting the City of Del Rey Oaks' (City) draft housing element received for review on July 20, 2023. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from David Kellogg, LandWatch, and the California Native Plant Society pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

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. 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 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 (December 15, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA) shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). 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 fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

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>.

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 Clare Blackwell, of our staff, at [Clare.Blackwell@hcd.ca.gov](mailto:Clare.Blackwell@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager

Enclosure

Note: Specific Comments below first address the HCD requirement in italics and then specify the Del Rey Oaks revisions.



## APPENDIX CITY OF DEL REY OAKS

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 <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

### **A. Review and Revision**

*Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)*

As part of the review of programs in the past cycle, the element must provide a cumulative evaluation of the effectiveness of past goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness).

### **B. 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:** While the element discusses compliance with a few fair housing laws, it should address compliance with additional fair housing laws. Examples include the Fair Housing Act, American disabilities Act, California Fair Employment and Housing Act, Density Bonus Law, Housing Accountability Act and No-Net-Loss Law.

**Local Data and Knowledge, and Other Relevant Factors:** The element noted that the entire City is within one census tract and it is difficult to evaluate spatial patterns. Therefore, the element should rely on local data, knowledge, and other relevant factors to better describe and analyze fair housing conditions (e.g., segregation and integration, access to opportunity and disproportionate housing needs). This could include knowledge from City staff, school officials, transportation planners and other local and regional planning documents, past applications for funding (e.g., disaster recovery),

Attachment 3



historical investment by areas (e.g., capital improvement program), location of amenities and services, previous community surveys, information on disasters, or other indications of access to opportunity and quality of life.

Sites and Affirmatively Furthering Fair Housing (AFFH): The element does not address this requirement. The analysis must identify whether sites improve or exacerbate conditions and whether sites are isolated by income group. 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 affects 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 promote equitable quality of life throughout the community (e.g., anti-displacement and place-based community revitalization strategies).

Contributing Factors: The element should re-assess and prioritize contributing factors upon completion of analysis and make revisions as appropriate.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

*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).)*

*An analysis of any special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter... (Gov. Code, § 65583, subd. (a)(7).)*

Extremely Low-Income Households (ELI): The element must identify the projected housing needs for ELI households. The projected housing need for ELI households can be calculated by using available census data to determine the number of very low-income households that qualify as ELI households or presume that 50 percent of the regional housing need allocation (RHNA) for very low-income households qualify as ELI households. For additional information, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs>.

Additionally, the element must quantify the number of existing ELI households by tenure and analyze their housing needs, including overpayment, overcrowding and other characteristics, resources and strategies and the magnitude of housing needs. For additional information, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs>.

Cost-Burdened Households: While the element quantifies cost-burdened low-income households (p. 2-12), it utilizes data from 2010. The element should be revised to include updated estimates for the number of cost-burdened households by tenure for all incomes.

Housing Conditions: While the element analyzes the age of the housing stock (p. 2-21), it must include analysis of the condition of the existing housing stock and estimate the number of units in need of rehabilitation and replacement. The element states that "since 1990, one unit was declared 'unlivable,' and one unit was in need of considerable rehabilitation," but should clarify where this information was sourced from and provide a recent estimate. 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.

Special Needs Households: The element includes data and a general discussion of housing challenges faced by special needs households. However, the element must be revised to include an analysis of the existing needs and resources for each special need group including persons with disabilities including developmental disabilities, farmworkers, seniors, large households, and ELI households (also noted above). For example, the element should discuss the existing resources to meet housing needs (availability of shelter beds, number of large units, number of deed restricted units, etc.), an assessment of any gaps in resources, and proposed policies, programs, and funding to help address those gaps.

- 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).)*

Parcel Listing: While the element provides some generalized statements about potential income categories, it must identify the anticipated affordability level of the units for each site identified in the sites inventory (Gov. Code, § 65583.2, subd. (c).).

Unaccommodated Need from the Prior Planning Period: The City had a shortfall of 70 units to accommodate its lower-income RHNA from previous planning periods. For your information, pursuant to Government Code section 65584, for jurisdictions that did not accommodate their shortfall from the last planning period, the City must complete rezoning efforts within one year of the planning period.

Suitability of Large Sites: Sites larger than ten acres in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. The element indicated that sites range between 20-200 acres. While the element noted that the City would only be assuming a portion of these sites, it should clarify the acreage that it will be assuming for each site. The element could also discuss whether or not a specific plan is present, timing and phasing of any current or future specific plans, provide additional description of the acreage of sub-areas, or other evidence that indicates sites of these sizes can be redeveloped into lower-income housing during the planning period. Additionally, the element should add or modify programs to facilitate development on large sites to accommodate housing for lower-income households.

Infrastructure: The element indicates that sites to accommodate the RHNA have adequate water and sewer capacity and planned infrastructure access. However, HCD received public comments noting that the capacity allotted to these sites through the Marina Coast Water District (MCWD) may no longer be available. The element should clarify total water and sewer capacity for these sites including any potential limitations. Additionally, the element stated that the water and sewer infrastructure lines would need to be extended to all sites to provide access to the available capacity. While the element noted that the City has planned for infrastructure extensions through the capital infrastructure plan (CIP), the element should discuss the timing and any potential constraints with the implementation of these infrastructure improvements. Lastly, the element must include a program with a firm commitment to the infrastructure improvements, clear timelines with milestones and efforts to address any other constraints related to water and sewer capacity.

Environmental Constraints: The element noted several potential environmental constraints on sites to accommodate the RHNA including hazardous chemicals, steep grades and sensitive species. Additionally, the element noted that portions of these sites need environmental clean-up to be cleared for residential development and these sites have covenants and restrictions on residential uses from the Department of Toxic Substances Control (DTSC). The element should clarify whether the element is assuming residential capacity on the portion of the sites that also have restrictions regarding residential uses imposed by state and federal agencies. If the element is assuming capacity on the portions of the sites that have restrictions on residential uses, the element should analyze and address this constraint or remove the sites. The analysis should identify and consider the process to lift those covenants as a potential constraint. Lastly, the element must include a complete analysis of the various environmental constraints noted on these sites and their impacts on potential development. The element could also consider public comments as part of this analysis. Based on a complete analysis, the element should include programs committing to remediation of these sites and other efforts to facilitate development.

Accessory Dwelling Units (ADU): The element is projecting 20 ADUs for an average of 2 ADUs per year over the eight-year planning period to accommodate a portion of its

RHNA. Additionally, 16 of the 20 ADUs are assigned to the lower-income RHNA. The projections are based off ADU building permit trends. Specifically, the element states that the City has issued eight building permits since 2020. However, HCD's records through the City's Annual Progress Reports (APR) indicate that the City permitted 1 ADU in 2020 and 2 in 2021. The City's past performance on permitting ADUs do not support the projections in the inventory. The element must reconcile these figures and adjust assumptions based on a realistic estimate of the potential for ADUs and include strong policies that commit to incentivizing ADUs. Depending on the analysis, the element must commit to monitor ADU production and affordability throughout the course of the planning period and implement additional actions if not meeting target numbers anticipated in the housing element. If necessary, additional actions, should be taken in a timely manner (e.g., within six months). The degree of additional actions should be in stride with the degree of the gap in production and affordability.

Sites Inventory Electronic Form: Please note, 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/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](mailto: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](mailto:sitesinventory@hcd.ca.gov).

#### Zoning for a Variety of Housing Types:

- *Emergency Shelters*: While the element stated that the C-1 zone allows emergency shelters by-right, it must specifically indicate whether it permits emergency shelters without discretionary action. Additionally, element should describe how emergency shelter parking requirements comply with AB139/Government Code section 65583, subdivision (a)(4)(A) which generally limits parking requirements to the amount need for staff or include a program to comply with this requirement.

For your information, as of March 31, 2023, AB 2339 (2022) is now applicable to the City and must be addressed in the element. AB 2339 (2022) specifies how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. For more information, please see <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

- *Manufactured Housing*: While the element states that manufactured homes are allowed by-right on lots zoned for single family dwellings, it should clarify manufactured homes on a permanent foundation are to be allowed the in the same as single-family homes. The element must demonstrate compliance with this requirement or add or modify programs.

- *Accessory Dwelling Units (ADU)*: While the element notes that state law allows for ADUs to be developed on any lot that allows residential uses, the element must clarify whether the City implements this specific requirement e.g., whether the City allows ADUs in all zones that allow residential uses including nonresidential zones e.g., mixed-uses and commercial. Secondly, the element first indicates that the City implements a ministerial approval procedure for ADUs; however, also notes that the R-1 and R-2 districts require a special use permit for accessory structures (pg. 4-6). The element must clarify how the City permits ADUs including whether it requires any type of discretionary permits. Based on a complete analysis, the element may need to add or modify programs, as appropriate.

In addition, after a cursory review of the City's ordinance, HCD discovered several areas which were not consistent with State ADU Law. HCD 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 in order 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... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: The element must analyze all relevant land use controls impacts as potential constraints on a variety of housing types. Specifically, the element noted that smaller bedroom units including studios and one-bedrooms are required to provide 1.75 spaces per unit (p. 4-4) and are also required to have one garage space (p. 4-5). Requiring smaller bedroom types to provide 1.5 parking spaces is considered a constraint. Additionally, the element must analyze covered parking requirements for impacts on cost, supply, housing choices, affordability and achieving maximum densities. The element must include a program committing to reducing parking requirements for smaller bedroom types (e.g., one space per one-bedroom unit).

Fees and Exaction: The element includes a listing for most fees for development and states that on average, fees do not constitute no more than ten percent of total development costs. However, the element should clarify whether the calculation considered various impact fees (water, sewer, school, etc.,) as part of that estimate. If not, the analysis should include the percentage of total development costs including all fees such as impact fees.

Local Processing and Permit Procedures: The element demonstrated that multifamily is only allowed with a use permit in any zone that allows multifamily development. In addition, the use permit generally requires planning commission and city council approval and design review. Further, the element illustrated potential constraints by requiring multifamily housing to meet subjective findings such as impacts on “morals, comfort and convenience”. For your information, subjecting multifamily housing to a conditional use permit (CUP) in zones where multifamily housing is already permitted is considered a constraint. The element must include or modify a program addressing and removing or modifying the CUP for multifamily housing in zones that are intended to permit multifamily housing.

Finally, the element should address public comments on this revised draft submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.

Design Review: The element should clearly explain whether design review is optional or required for areas intended for residential uses and whether there are established development standards. Additionally, the element must describe and analyze the design review guidelines and process, including approval procedures and decision-making criteria, for their impact as potential constraints on housing supply and affordability. For example, the analysis could describe required findings and discuss whether objective standards and guidelines improve development certainty and mitigate cost impacts. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate.

Constraints on Housing for Persons with Disabilities: The element included Program D.2 (Persons with Disabilities) committing to allowing group homes of seven or more in specific zones. However, zoning should simply implement a barrier-free definition of family instead of subjecting potential persons with disabilities to special regulations such as the number of persons, parking requirements, population types and licenses. These housing types should not be excluded from residential zones, most notably low-density or single-family zones, which can constrain the availability of housing choices for persons with disabilities. Requiring these housing types to obtain a special permits and potentially subjecting housing for persons with disabilities to higher discretionary standards is generally considered a constraint. The element must be revised with program(s) committing to allowing group homes of seven or more in any zone that permits residential uses and only subject to those restrictions that apply to similar residential uses. Please see HCD's for more info <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/group-home-technical-advisory-2022.pdf>.

- 5. An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... 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).)*

Approval Times and Lesser Density Requests: The element must include analysis of requests to develop housing at densities below those identified and the length of time between receiving approval for a housing development and submittal of an application for building permits. The analysis should address any hinderances on the jurisdiction's ability to accommodate RHNA by income category and include programs as appropriate.

### **C. 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... (Gov. Code, § 65583, subd. (c).)*

To have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines and quantified objectives. This is especially important since most of these programs are being recycled from prior planning periods and indicated little progress or outcomes as noted in the review and revise section of the housing element. Programs that need to be modified with timelines, specific commitments and quantified metrics include Program A.2 (Mixed-use Zoning), A.3 (Small Lot Development), B.2 (Facilitate Affordability), B.3 (Housing Choice Vouchers). In addition, programs should be revised, as follows:

- Program A.2 (Mixed-use Zoning) and B.1 (Develop Inclusionary) commits to researching and providing a report; however the element needs to include timelines committing to take actions on the outcomes of these reports.
- Program B.3 (Housing Choice Vouchers) commits to providing pamphlets on specific issues but needs to include a timeline for when these pamphlets will be developed.

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 B3, 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:

Program A.1 – Shortfall Rezone Program: The element describes a shortfall of sites and indicates rezoning will occur to accommodate the RHNA. In addition, the City has an unaccommodated need from the 4<sup>th</sup> and 5<sup>th</sup> cycle of 70 lower-income units. While the element includes Program A.1, it must specifically commit to acreage, allowable densities, anticipated units and affordability.

In addition, the rezone program must be revised to include all the provisions of Government Code section 65583.2, subdivisions (h) and (i), as follows:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a CUP, planned unit development permit, or other discretionary review or approval;
- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all the very low- and low-income housing need, if those sites:
  - allow 100 percent residential use, and
  - require residential use to occupy 50 percent of the total floor area of a mixed-use project.

In addition, the recent California appellate decision in *Martinez v. City of Clovis* found that while overlays can be used in a rezone, when the base zone allows residential development, both the base zone and the overlay zone must comply with the minimum density requirements of Government Code section 65583.2, subdivision (h). The City should address how the City's rezone program(s) will address these requirements, if applicable. Based on the analysis, the element may need to adjust Program A.1.

Publicly Identified Sites: The element identified the Fort Ord sites to accommodate the City's 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> cycle RHNA. This site is an integral part of the addressing most of the City's RHNA including the lower-income RHNA and RHNA from the last planning period. The site is owned by the City; therefore, providing a unique opportunity to provide much needed affordable housing. As such, the element needs to include significant actions to facilitate and encourage development on this site. The element should include a program with numerical objectives that ensures compliance with the Surplus Land Act if applicable, provides incentives and actions along with a schedule to

facilitate development of this site. Actions should include outreach with developers, issuing requests for proposals, incentives, fee waivers, priority processing and financial assistance.

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).)*

While the element includes Programs B.2 and B.6 to assist in the development of affordable units, it must also include a program(s) with specific actions and timelines to assist in the development of housing for ELI households and farmworkers. The program(s) could commit the City to adopting priority processing, granting fee waivers or deferrals, modifying development standards, granting concessions and incentives for housing developments that include units affordable to ELI households; assisting, supporting or pursuing funding applications; and outreach and coordination with affordable housing developers; developing procedures to encourage and facilitate SRO development in the allowable district.

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 Findings B4 and B5 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. In addition, the element should be revised, as follows:

Program C.1 – Review Constraints: This Program indicated that it would update the zoning ordinance to comply with SB 35; however, the objective of this Program states it will review and revise as needed. However, complying with SB 35 is required. The element should include a firm commitment to establishing processes and procedures for SB 35.

Reasonable Accommodation: The element noted that the City does not have a formal reasonable accommodation process and uses a variance to process requests. While the analysis indicated that the element includes programs committing to establishing a formal written reasonable accommodation procedure (p. 4-14), the element did not include any corresponding programs. The element must include or modify program(s) committing to establishing an objective written reasonable accommodation procedures.

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

As noted in Finding B1, the element requires a complete AFFH 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.

#### **D. Quantified Objectives**

*Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)*

The element must include quantified objectives to establish an estimate of housing units by income category that can be constructed, rehabilitated, and conserved over the planning period. While the element includes these objectives by income group for very low-, low-, moderate- and above-moderate income, the element must also include objectives for ELI households.

In addition, while the element includes quantified objectives for new construction, it did not include objectives for units that will be conserved or rehabilitated during the planning period because the City does not have any at-risk units. However, quantified objectives are not limited to at-risk preservation. Conservation and rehabilitation objectives may include the variety of strategies employed by the City to promote tenant stability, code enforcement and repair programs that conserve the housing stock. The element should include quantified objectives for rehabilitation and conservation across income categories. For more information, please see <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/program-overview-and-quantified-objectives>.

## ATTACHMENT 3 .SAMPLE HCD PROGRAMS

### **Sample Program 1: Assist in the Development of Housing for ELI Households**

Assist in the development or redevelopment of one or more properties for housing for those with special needs, including housing affordable to extremely low-income households. Specific actions the City will undertake to pursue this effort include:

- Conduct outreach to and coordinate with non-profit housing developers to facilitate housing for special needs populations, including housing affordable to extremely low-income households through discussions regarding potential incentives, programs, financial support, etc. (see also Program 1.A);
- Direct outreach to religious institution property owners or operators to inform them about AB 1851 and any other regulations that encourage housing development on these properties (see also Program 1.H);
- Actively assist and support developers with funding applications to support the development of housing for special needs populations, including extremely low-income housing;
- Grant incentives and concessions to housing developments that include units for any special needs populations, and housing units affordable to extremely low-income households (e.g., State density bonus law provisions; see also Program 1.B).
- Outreach efforts for this program will cross-over with efforts and objectives of the other Special Needs programs of this section with the aim to increase housing for all special needs populations.

Responsible Body: Planning Division

Time Frame: Outreach to non-profit developers and religious institution properties by January 2024 and biannually thereafter.

Objective: Approve 50 new units for special needs populations, and 50 new extremely low-income housing units by 2031.

Geographic Targeting: Housing sites citywide, with a focus on areas with the highest TCAC Composite scores (i.e., southeastern, and northeastern neighborhoods).

### **Sample Program 2: Development of Large Lots**

The City shall adopt a program to facilitate the development of lots larger than ten acres, particularly for the development of affordable housing units. This includes, but is not limited to, streamlining parcelization of these large sites and providing technical assistance to property owners and developers seeking to develop a parcel over ten acres. The City shall provide information on this program online and promote it as an option when meeting with potential developers and property owners.

Actions:

- Adopt and implement a program to facilitate the development of lots larger than ten acres.
- Responsible Agency: Planning Department
- Funding Source: General Fund
- Timeframe: Adopt and implement the program by January 2026

### **Sample Program 3: Amending Definition of Family**

The City's Municipal Code currently defines "Family" as "a person or persons related by blood, marriage or adoption or a group of not more than five persons, excluding servants, not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit." The City shall amend its definition of "Family" to remove limitations to the number of unrelated persons and differentiation between related and unrelated individuals living together.

#### **Actions:**

- Adopt a zoning ordinance amendment to update the definition of "family" in compliance with State law.
- Responsible Agency: Planning Department
- Funding Source: General Fund
- Timeframe: In conjunction with the ongoing General Plan update, which will be completed by the end of 2024.

### **Sample Program 4: SB 35 Streamlining**

The City shall establish written procedures to comply with California Government Code Section 65913.4 and publish those procedures for the public, as appropriate, to comply with the requirements of Senate Bill 35 (SB 35), Chapter 366 Statutes 2017. These requirements apply at any point in time when the City does not meet the State mandated requirements, based upon the SB 35 Statewide Determination Summary Report for Housing Element progress and reporting on Regional Housing Needs Assessment (RHNA). The City shall process development projects with at least 50 percent affordable units through a streamlined permit process set forth in State law. All projects covered by SB 35 are still subject to the objective development standards of the Municipal Code, including the Building and Fire Codes. However, qualifying projects cannot be subject to discretionary review or public hearings; and in many cases, the City cannot require parking. Reduced parking requirements would be established consistent with the requirements of SB 35 for qualified streamlining projects.

#### **Actions:**

- Establish SB 35 procedures and provide information online.
- Responsible Agency: Planning Department
- Funding Source: General Fund
- Timeframe: Establish and implement the program by January 2026

# Housing Element Update 6<sup>th</sup> Cycle

## Planning Commission

November 8, 2023

# 6<sup>th</sup> Cycle Housing Element Update Agenda

- Introduction and Purpose
- Results of HCD 90 Day Review
- Draft and Modified Programs Update
- Planning Commission and Public Comments
- Next Steps

**Must have adequate sites to meet RHNA, and policies and programs to support housing affordable to all income levels**



# Housing Allocation for the City

- The State mandate for City's 6<sup>th</sup> Cycle Regional Housing Needs Allocation (RHNA) is 184 total units, including 98 units affordable to lower-income households, plus 86 unit shortfall 5<sup>th</sup> Cycle.

## 6th Cycle Regional Housing Needs Allocation for Del Rey Oaks


Jurisdiction	Income Group				
	Very Low	Low	Moderate	Above Moderate	Total
Del Rey Oaks	60	38	24	62	184
Unincorporated Monterey County	1,070	700	420	1,136	3,326
<b>Monterey County Total</b>					<b>20,495</b>

## HOUSING ELEMENT – 6<sup>th</sup> Cycle Update



# Progress and Meetings to Date 6<sup>th</sup> Cycle

Milestone	Timeline
Joint Meeting of CC and PC Update	March 16, 2023
City Council Contract Approval 6 <sup>th</sup> Cycle	March 28, 2023
Housing Element Public Workshop via Zoom	May 3, 2023
Submittal of AB 52 Tribal Consultation Request	May 5, 2023
Planning Commission/City Council Workshop	May 9, 2023
Planning Commission Special Meeting	May 17, 2023
Published Local Review Housing Element for 30-day	May 26, 2023
HCD Meeting/Call/Field Trip on Sites Inventory	June 20, 23 and 27, 2023
Completion of AB 215 Required 30-day public review period	June 26, 2023
Planning Commission Hearing Revised Programs/Public Comments	July 12, 2023
Posted HCD Review Draft on City Website 10 days	June 30, 2023
Submittal HCD Review Draft July 20, 2023	July 20, 2023
HCD Draft Housing Element 6 <sup>th</sup> Cycle, 90 day review	July 2023
EIR released for 45-day review	August/September 2023
Final EIR Certification by the City Council and Rezoning Action	October 18 and 24, 2023
HCD Comments on Draft Housing Element 6 <sup>th</sup> Cycle	October 19, 2023
Planning Commission Hearing Revised Programs/Public Comments	November 8, 2023
City Council Hearing Revised Programs/Public Comments	November 14, 2023



# Public Review Draft 6th Cycle Housing Element Update Requirements

## HCD Process Public Review

- ▶ Public Participation Requirements:  
Prior to submittal of the first draft within a planning period to HCD, the local government must make the draft available for public comment for 30 days.
- ▶ If any comments were received, take at least 10 business days to consider and incorporate public comments.



# Public Review Draft 6th Cycle Housing Element Update

- ▶ Local Draft Public Review
  - ▶ Local Review Draft 6th Cycle Housing Element Update published May, 2023
  - ▶ 30-day review period closed June 26, 2023
  - ▶ Planning Commission Meeting July 12, 2023  
Consideration of Revisions prior to submittal to HCD
  - ▶ Per AB 215, City had at least 10 days to consider public comments prior to submittal to HCD

# Public Review Draft 6th Cycle Housing Element Update

## Public Review Comments

- ▶ Two comment letters received from:
  - Monterey Peninsula Unified School District (MPUSD)
  - LandWatch
- Letters published on City's website July 12, 2023 and in City Planning Commission and Council packets
- Public hearings held July, August and September
- Revisions completed for HCD Review Draft
- Submittal HCD Review Draft July 20, 2023
- Concurrently, EIR was Published for 45-day review in August - September

# Public Review Draft 6th Cycle Housing Element Update

- ▶ HCD Review Draft Comments
  - ▶ Comment letter received October 18, 2023
  - ▶ HCD City Meeting held October 27, 2023
- ▶ Comment Topics:
  - Programs for Special Needs Households (Low-Income, Seniors, Persons with Disabilities, Large Households)
  - Affirmatively Furthering Fair Housing (AFFH)
  - Sites Constraints and Potential for Development
  - Programs – Added Programs and Specifying Objectives and Timelines



# Program Modifications per HCD Letter October 2023

## Modify Programs to Apply Specific Actions and Timelines

- Provide more specificity of actions by City and timeframes for completion for the following programs:
  - ▶ Program A.2 (Mixed-use Zoning)
  - ▶ Program A.3 (Small Lot Development)
  - ▶ Program B.1 (Develop Inclusionary)
  - ▶ Program B.2 (Facilitate Affordability)
  - ▶ Program B.3 (Housing Choice Vouchers)

# Modify Program A.1 Accommodate the City's RHNA

## Current A.1 Accommodate the City's RHNA

- Provide a range of types of housing units and prices to meet the total 184 units of RHNA
- Provide for an adequate number of units to meet the very low- and low-income categories and for development of moderate and above-moderate income categories within the RHNA and including the 4th and 5th cycle shortfall.
- Use Sites 1 and 1a owned by the City, and if needed, also Sites K1 and K2 (private property owners).
- Adopt an overlay zone to allow residential uses to meet RHNA. Ensure sufficient property is available to achieve this goal throughout the planning cycle.
  - Rezoning must meet the requirements of Government Code section 65583.2(h) and (i).
- ▶ HCD Revision to add language:
- ▶ Revise the program language to match the shortfall requirements and rezoning requirements Government Code section 65583.2(h) and (i).
  - ▶ Minimum density of 20 units per acre
  - ▶ 16 units minimum development
  - ▶ Minimum acreage size
  - ▶ Consistent with Zoning Overlay Zone language
- ▶ Update timeline and objectives

# Modify Program C.2 Encourage the Construction of Accessory Dwelling Units

- ▶ Program C.2 Accessory Dwelling Units
- ▶ Current Program C-2:
- ▶ Continue to review and update the ADU Ordinance to be compliant with updated State regulations that promote the development of ADUs. Encourage the construction of ADUs by providing incentives such as waiver or reduction of development fees and expedited permit processing for ADU applications.
- ▶ Provide information to all eligible property owners concerning the City's ADU approval process at City Hall. Explore the availability of standardized plans for ADUs/JDUs that may be suitable for ADUs or JDUs.
- ▶ City staff shall give an annual report to City Council on the number of new ADUs that are being built each year by April 1st of each year, starting in 2024. Information shall be readily available at the City Hall and shall be included on the City's website and in the City newsletter by second quarter 2024.
- ▶ As part of annual review, if ADUs are not being permitted as assumed in the Housing Element, the City will take action within 6 months of completion of the ADU review to ensure that adequate capacity at each income level is maintained to meet the City's RHNA needs.

# Program C.2 Encourage the Construction of Accessory Dwelling Units

- ▶ Modified Program C.2 Accessory Dwelling Units HCD Example Program Revision
  - ▶ Add more actions and accountability if ADU numbers not reached:
    - ▶ Annually monitor the production and affordability of ADUs and the progress made according to the assumptions in the inventory.
    - ▶ Take alternative actions within six months (i.e., additional incentives) if not meeting the assumptions.
    - ▶ At the Mid Term (4 year) annual review, if the review shows that annual ADU production is less than anticipated in the Housing Element projection, the City Planning Commission will hold a public hearing to recommend change to further reduce development constraints on ADUs; the degree of additional actions should be in stride with the degree of the gap in production and affordability.
  - ▶ City comment: Minor revisions additions to existing program
  - ▶ Example in Staff Report

# Modify Program C.4 Ensure the Availability of an Adequate Water Supply

- ▶ Program C.4 - Ensure the Availability of an Adequate Water Supply to Serve the Long-Term Housing Needs of the City
- ▶ Current Program:
  - ▶ A major constraint to development within the City is water supply. The City will continue to work with the MPWMD, MCWD, M1W and other appropriate agencies through meetings and consultation to seek securement of sufficient water resources to meet the expected needs of projected housing development. Continue to provide City representative on Board of M1W to promote water provision as a priority for affordable housing. Provide the Draft Housing Element to the local water and service providers for the City in accordance with State law.
- ▶ HCD Revision:
  - ▶ Provide program actions to continue to work with the water district per agreements on water service for former Fort Ord sites
  - ▶ Provide details and actions to allow completion of the extension of infrastructure lines to the sites. Add timelines for actions.
  - ▶ **Additional:** Add information regarding the MCWD agreement to provide water.

# Program D.2 Provide Opportunity for and Encourage the Development of Adequate Housing for the City's Special Needs Groups

## Program D.2 Development of Adequate Housing for the City's Special Needs Groups

### Current Program:

- ▶ Facilitate the provision of housing for the elderly and disabled, including developmental disabilities, and other special needs housing by modifying the Zoning Ordinance to define licensed residential care facilities, to explicitly allow small residential care homes by right in all residential zone districts, allow group homes of six or fewer to be allowed in all zones allowing single-family uses (not limited to residential uses), and to permit larger residential care homes (seven or more) in the City's R-2 and C-1 districts consistent with the standards of these districts. Support the efforts of public and private groups to provide housing for the elderly and disabled. Such support may include staff assistance in obtaining permits or financing, or, where appropriate, the waiver of City fees or regulatory requirements, some combination of these, or other tangible measures of support.
- ▶ HCD Revision – Amendment to Program (Zoning Code):
  - ▶ Amend to commit to allowing group homes of seven or more in any zone that permits residential uses and only subject to those restrictions that apply to similar residential uses.
  - ▶ Amend to remove constraints that subject potential persons with disabilities to special regulations such as the number of persons, parking requirements, special permits.

# HCD Example Programs:

## Amend Definition of Family

### Program Example HCD: Amend Definition of Family

- ▶ Currently, the City's Municipal Code Title 17.04.150 Definitions states "Family means one or more persons living together in a dwelling unit as a single housekeeping unit."
- ▶ HCD Comment: Amend its definition of "Family" to remove limitations to the number of unrelated persons and differentiation between related and unrelated individuals living together.
- ▶ Actions: Work with HCD to ensure current definition of Family is in compliance with State Law.
- ▶ Revise and update Program as required:
  - ▶ Adopt a zoning ordinance amendment to update the definition of "family" in compliance with State law.
  - ▶ By Second quarter 2024

# Additional Program Example from HCD: Development of Large Lots

## New Program Recommended by HCD to Reduce Constraints due to Development of Large Lots

- ▶ Proposed Program:
- ▶ The City shall adopt a program to facilitate the development of lots larger than ten acres, particularly for the development of affordable housing units. This includes, but is not limited to, streamlining parcelization of these large sites and providing technical assistance to property owners and developers seeking to develop a parcel over ten acres. The City shall provide information on this program online and promote it as an option when meeting with potential developers and property owners.
- ▶ Actions:
  - ▶ Adopt and implement a program to facilitate the development of lots larger than ten acres.
  - ▶ Responsible Agency: Planning Department
  - ▶ Funding Source: General Fund
  - ▶ Timeframe: Adopt and implement the program by January 2026



# Additional Program Example from HCD:

## SB 35 Streamlining

### New Program Example SB 35 Streamlining

- ▶ Proposed Program:
- ▶ The City shall establish written procedures to comply with California Government Code Section 65913.4 and publish those procedures for the public, as appropriate, to comply with the requirements of Senate Bill 35 (SB 35), Chapter 366 Statutes 2017. These requirements apply at any point in time when the City does not meet the State mandated requirements, based upon the SB 35 Statewide Determination Summary Report for Housing Element progress and reporting on Regional Housing Needs Assessment (RHNA). The City shall process development projects with at least 50 percent affordable units through a streamlined permit process set forth in State law. All projects covered by SB 35 are subject to objective development standards. However, qualifying projects cannot be subject to discretionary review or public hearings; and in many cases, the City cannot require parking. Reduced parking requirements would be established consistent with the requirements of SB 35 for qualified streamlining projects.
- ▶ Actions:
  - ▶ Establish SB 35 procedures and provide information online
  - ▶ Responsible Agency: Planning Department
  - ▶ Funding Source: General Fund
  - ▶ Timeframe: Adopt and implement the program by January 2026

# Program Reduction of Parking Requirements for Smaller Bedroom Units

- ▶ Program -  
Reduction of Parking Requirements for Smaller Bedroom  
Units
- ▶ Add Program to Commit to reducing parking requirements for smaller bedroom types (e.g., one space per one-bedroom unit).

# Next Steps

- Questions, Discussion & Public Comments

# Next Steps

## Next Steps

Conduct Meetings and Hearings for Revisions

Make Revisions and Post Changes on City Website

## HCD Requirements

City Can Revise and Adopt (or Adopt without Changes)

Once the jurisdiction receives the findings from HCD, it can then revise the housing element to comply with the statute and adopt it OR adopt the draft without revising it. If it adopts the draft without making any revisions, it must specify in the resolution the findings that explain why the housing element complies with the statute.

Once the City Submits Adopted Housing Element to HCD

After the adoption, the jurisdiction must promptly submit its adopted housing element to HCD for review. HCD has 60 days to review the adopted housing element and report its findings back to the jurisdiction.