

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

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December 6, 2021

Steven Sizemore
Interim Director of Community & Economic Development
City of Monterey Park
320 W Newmark Avenue
Monterey Park, CA 91754

Dear Steven Sizemore:

RE: The City of Monterey Park of 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Monterey Park's (City) draft housing element received for review on October 7, 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. In addition, HCD considered comments from the Public Counsel and Linda Tang pursuant to Government Code section 65585, subdivision (c).

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 describe the 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 (RHNA), 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.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the County 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.

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.

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 Tristan Lanza, of our staff, at tristan.lanza@hcd.ca.gov.

Sincerely,

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

Melinda Coy
Housing Accountability

Enclosure

APPENDIX CITY OF MONTEREY PARK

The following changes are necessary to bring the City of Monterey Park's (City) 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. 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).)

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))*

General: The element provides data regarding various socio-economic characteristics across all components of the required analysis (e.g., segregation and integration, access to opportunity, displacement). However, the element must discuss and analyze this data for trends and patterns.

Local Data and Knowledge: The element must include local data and knowledge to discuss and analyze any unique attributes about the City related to fair housing issues. 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. Also, the element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends.

Outreach: While the element included some information on public engagement and outreach efforts (Appx. C, pg.6), to address outreach requirements of AB 686 (Chapter 958, Statutes of 2018), the element must describe meaningful; frequent,

and ongoing public participation with the community including key stakeholders. The element should describe any specific outreach efforts to organizations that represent special needs populations or members of protected classes. The element could also describe targeted efforts to engage specific communities that are experiencing several fair housing issues.

Enforcement: While the element included a summary of fair housing complaints on a county-wide basis, the element needs to include information on fair housing complaints specific to the City and analyze those complaints for trends, patterns, and impact on protected classes. The element must also include an analysis of any findings, lawsuits, or judgements related to enforcement actions regarding fair housing. In addition, the element must discuss compliance with existing fair housing laws and regulations. For more information and guidance on this analysis, please visit pages 28-30 of the HCD's AFFH guidance memo: [Affirmatively Furthering Fair Housing \(ca.gov\)](https://www.hcd.ca.gov/fair-housing-affirmative-fair-housing-guidance-memo).

Racial/Ethnic Areas of Concentration of Poverty (R/ECAP): The element includes information relative to R/ECAP, but the analysis must also provide a regional comparison. In addition, the City has not fully addressed its concentrated areas of affluence. The combination of the R/ECAP and areas of affluence analyses will help guide goals and actions to address fair housing issues. The analysis should evaluate the patterns and changes over time at a local and regional level. Furthermore, the element does list one area of high poverty and segregation therefore the City should analyze this concentration and consider relevant factors such as past policies, practices, and investments as well as whether or not there is a concentration of subsidized housing units in that area.

Sites Inventory: 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. Most of the sites identified in the inventory are concentrated in the northern part of the City. The element illustrated in Figure C-13 and C-18 that sites in the northern section of the City are areas that have higher concentrations of segregation and poverty. A full analysis should discuss this concentration and 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).

Contributing Factors: The element identifies many contributing factors to fair housing issues. In addition, the element should consider prioritizing these factors to better formulate policies and programs and carry out meaningful actions to AFFH.

Goals, Priorities, Metrics, and Milestones: While the element provides additional analysis and identifies contributing factors to fair housing issues in the City, it does not

include sufficient action to overcome patterns of segregation and foster inclusive communities. As a result, programs must be added as appropriate to sufficiently respond to contributing factors to fair housing issues. The element must add, and revise programs based on a complete analysis and listing and prioritization of contributing factors to fair housing issues. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. For more information, please see HCD's guidance at

<https://www.hcd.ca.gov/community-development/affh/index.shtml#guidance>.

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).)*

Cost-Burden: The element must quantify and analyze the total number of cost burdened households including cost burdened households by tenure.

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).)*

Progress in Meeting the RHNA: The element indicates (page 4-4) that 229 units including 40 units affordable to lower-income households are planned, approved, or pending. The element must include additional information on the status of these units including any remaining entitlement that are needed prior to approval; and for projects approved, but not yet built, the jurisdiction must demonstrate the units are expected to be built in the planning period. The element must also include an analysis to demonstrate the affordability of the 40 units affordable to lower-income households based on actual or projected sales prices, rent levels, or other mechanisms establishing affordability in the planning period.

Sites Identified in Prior Planning Periods: The sites inventory indicates that there are no sites that were included from previous planning period. However, pursuant to third party comments, there may be several sites that were included in the current sites inventory that had been utilized in past elements. The element should clarify and identify if sites were identified in prior planning periods.

Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory, it must also provide support for these assumptions. For example, the element should demonstrate what specific trends, factors, and other evidence led to the assumptions. The City lists maximum density allowed in a zone multiplied by the size of the parcel. The estimate of the number of units for each site must be adjusted as necessary, based on the land use controls and site improvements, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

In addition, the element appears to assume residential development on sites with zoning that allow 100 percent non-residential uses. While the element mentions the identified sites represent a substantial opportunity for housing and the area is located near employment, it must still account for the likelihood of non-residential uses. The element should include analysis based on factors such as development trends, performance standards or other relevant factors. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly.

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. The analysis mentioned a list of factors that were considered to determine development potential including improvement-to-land value ratio of less than one, the parcel's existing use vs. zoned use, age of structure and underutilization. However, the analysis should describe why and how the factors demonstrate that these sites are suitable for development. In addition, the element needs to also analyze the extent that existing uses may impede additional residential development. The element can summarize past experiences converting existing uses to higher density residential development, include current market demand for the existing use, provide analysis of existing leases or contracts that would perpetuate the existing use or prevent additional residential development and include current information on development trends and market conditions in the City and relate trends to the sites identified.

In addition, specific analysis and actions are necessary if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Small Sites: Sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated 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 the housing element describes other evidence the site is adequate to accommodate lower income housing. While the element lists some recent development on smaller sites, it should relate these trends to identified sites. For example, almost all of the recent developments had at least 40 units, but lots to be consolidated result in projects at smaller scale. In addition, it is unclear whether the examples result in housing affordable to lower-income households. The element should relate these example projects to the site strategy for lot consolidation, particularly as it relates to facilitating housing affordable to lower-income households. The analysis should include conditions rendering parcels suitable and ready for consolidation.

Zoning for Lower-Income Households: The element must demonstrate densities appropriate to accommodate housing for lower-income households. The element is relying on sites within the R-3 zone which currently have a maximum density of 25 units per acre. The site inventory assumes the maximum allowable density in these zones will be 30 units per acre, but the element only states that it will “consider” increasing the density to 30. Unless the element commits to increasing the zoning to 30 units per acre, the element must contain the analysis demonstrating that 25 units per acre is appropriate for facilitating development affordable to lower-income households in the City. Please note because zoning is not already in place at the beginning of the planning period, rezoning for these sites must be consistent with Government Code, § 65583.2, subdivision (h) and (i).

Sites with Zoning for a Variety of Housing Types:

- **Emergency Shelters:** The element mentions emergency shelters are permitted in the Office Professional (O-P) Zone. The element must discuss available acreage in the OP zone, including typical parcel sizes and the presence of reuse opportunities and compare that capacity to identified need for emergency shelter. In addition, the analysis should address proximity to transportation and services and any conditions inappropriate for human habitability. "In addition, the element should describe how emergency shelter parking requirements are in line with AB139/Government Code section 65583, subdivision (a)(4)(A) or include a program to comply with this requirement."
 - **Employee Housing:** Employee Housing: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs. Specifically, section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone.
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. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)*

Development Standards: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. Specifically, the element must analyze floor area ratio requirements and describe the requirements for the mixed-use projects including any requirements for commercial uses or if 100 percent residential is allowed.

Housing Overlay Zone: The element relies on sites Housing Overlay Zones that was adopted through the 2020 General Plan update. While some information was provided on how the overlay allows residential the element must include a complete description and analysis of the Overlay, including whether further zoning must be adopted to implement the overlay zones and the permitting procedure for access to the overlay. The element should also detail any affordability requirements, whether 100 percent residential uses are allowed, development standards, and what incentives or concessions for utilization.

Parking Standards: The element must analyze studio and one bedroom parking requirement and requirement for enclose parking for its impact as a potential constraint on housing including project cost. The analysis should examine whether parking standards impede a developer's ability to achieve maximum densities, and if there are provisions in place to provide parking reductions where less need is demonstrated, particularly for persons with disabilities, the elderly, affordable housing, and infill and transit-oriented development.

Development Fees: The element has identified planning fees; however, the element must describe all required fees including impact and building fees. For example, the analysis could identify the total amount of fees and their proportion to the development costs for both single family and multifamily housing.

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

Local Ordinances: The element must specifically analyze locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances that directly impact the cost and supply of residential development. The analysis should demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.

Constraints on Housing for Persons with Disabilities: The element briefly describes its reasonable accommodation procedures including that a reasonable accommodation must be in general conformance with the City's development and municipal codes and comply with the California Environmental Quality Act. However, the purpose of the reasonable accommodation is to provide exception to zoning and land use. As a result, the element must include a program to address this constraint. In addition, group homes for seven or more persons appears to be excluded from several zones allowing

residential uses and subject to a conditional use permit (CUP). The element should evaluate these requirements as constraints and include programs as appropriate.

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 Lesser Density: The element must be revised to analyze requests to develop housing at densities below those anticipated in the sites inventory, including hinderance on the construction of the City's share of the regional housing need and include programs as appropriate.

6. *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).)*

While the element identifies 441 assisted units, the element lists three properties that are at-risk of expiring within the next ten years for a total of 251 units. The element must identify local public agencies, public or private nonprofit corporations, and for-profit organizations with the legal and managerial capacity to acquire and manage at-risk projects pursuant to Government Code Section 65583, subdivision (a)(8)(C)). In addition, the element must list potential federal, state, and local funding sources that can be used to preserve the units.

While the element analyzes the cost of replacement for units designated high risk, the element must analyze replacement costs for all units with expiring restrictions in the next ten years. Furthermore, the analysis should contain the following:

- Estimate the costs of producing new rental housing (comparable in size and rent levels to existing at-risk units) to replace units converting from affordable to market rate. The analysis should consider current land costs and either current construction costs (square footage rates for multifamily development) or the actual cost of recently completed units.
- Estimate the cost of preserving the identified assisted housing developments including acquisition and rehabilitation costs long-term affordability controls and project-based rent subsidies.

A project-by-project replacement/preservation cost estimate is not required (Government Code Section 65583(a)(8)(B)). The element can make an assessment of the appropriate strategy (replace vs. preserve) based on sample cost estimates.

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 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; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include the following:

- General: 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. In addition, all programs should be evaluated to ensure meaningful and specific actions and objectives. Programs containing unclear language (e.g., "Evaluate"; "Consider"; "Encourage"; etc.) should be amended to include more specific and measurable actions.
- Program 1 (Residential Rehabilitation Program): The program must be revised to include a timeframe for implementation.
- Program 4 (Housing for Special Needs Population): The program must be revised to specify the incentives for developers and clarify what actions will "nurture partnerships" to educate and execute the development of supportive and transitional housing.
- Program 5 (Flexibility in Development Standards): The program must be revised to specify a timeline for implementing the actions of the program.
- Program 6 (Monterey Park Municipal Code): The program must be revised to remove the "if required" language from its objectives and actions.
- Program 9 (Sites Used in Previous Planning periods Housing Elements): The element must be revised to remove the "consider" language from its objective for rezoning or amending the MPMC.
- Program 10 (Mixed-Use Sites): The program must be revised to include the timing for each of its objectives.

- Program 14 (Affordable Housing Development Incentives): The program must specify the actions that the city will take to “actively promote” housing development and to include timeframes with listed actions.
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:

Program 7 (Ensure Adequate Sites to Accommodate Regional Fair Share of Housing Growth): The program must be revised to clarify with specific actions and language how the city will “promote residential density” and list the measures that will be adopted to encourage affordability by design with timing. Also, if the element is relying on the R-3 zone and the City will need rezoning to allow up to 30 units per acre then the element will need a rezoning program for these sites that meet 65583.2(h) and (i).

Lot Consolidation: As the element relies on consolidated small sites to accommodate the RHNA for lower-income households, it should include a program(s) to facilitate lot consolidation and development of housing on small sites. For example, the program could commit to (1) granting density bonuses above state density bonus law (Gov. Code, § 65915.); (2) deferring fees specifically for consolidation; (3) expediting permit processing; (4) identifying and targeting specific financial resources; and (5) modifying development standards.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in 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.

Specifically, the element recognizes that minimum lot size, high standards, and other standards in the MU-1 and MU-II zones are a constraint to achieving densities. However, the element lacks specific program commitments to mitigate or remove these constraints. The element could amend Program 6 (Monterey Park Municipal Code) to expressly state how that these standards will be modified or removed. This is especially critical because there are many sites identified in the inventory that do not meet minimum size requirements and would require lot consolidation to be developed.

4. *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 B1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. While the element include Program 19 (Fair Housing Program) goals and actions must create meaningful impact to overcome contributing factors to fair housing issues and actions must have specific metrics and milestones. For example, Table 6-1 states the city will “incentives the development of more housing to accommodate the varied needs of different populations,” but does not describe how this action will be implemented. The program and its actions must each be concrete in affirmatively furthering fair housing (AFFH).

In addition, currently the element only addresses AFFH in Program 19. The element could revise other program actions to address the City’s obligation to AFFH including how programs address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

5. *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).)*

The element includes Program 2 (Conserve At-Risk Housing) and specifies actions to monitor at-risk units. However, the element must include contacting property owners within at least one year of the affordability expiration dates on projects. Also, the program should be modified to include noticing requirements within three years and six

months of the affordability expiration dates, in addition to coordinating with qualified entities such as non-profit organizations and establish specific time parameters around such actions. In addition, the element should be revised to adhere to current State Preservation Notice Law (Gov. Code 65863.10, 65863.11, 65863.13) which requires owners to provide tenants and affected public entities (including the City) notices regarding expiring rental restrictions starting three years before expiration.

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 conserved over the planning period.

E. 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).)

While the City made effort to include the public through workshops and surveys, moving forward, the City should employ additional methods for public outreach efforts, particularly including lower-income and special needs households and neighborhoods with higher concentrations of lower-income and special needs households. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income and special needs households in future public outreach efforts. HCD also received comments with many meaningful suggestions and other issues related to zoning and AFFH. HCD encourages the City to consider these comments which will be provided under a separate cover.

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.