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

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February 1, 2024

Renee Mathis, Director Planning and Development Department City of Clovis 1033 Fifth Street Clovis, CA 93612

Dear Renee Mathis:

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

Thank you for submitting the City of Clovis' (City) revised draft housing element received for review on December 5, 2023. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. HCD considered comments from the Public Interest Law Project pursuant to Government Code section 65585, subdivision (c).

The revised draft element addresses many statutory requirements that were described in HCD's August 14, 2023 review; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq), as follows:

1. Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)

Racially Concentrated Areas of Affluence (RCAA): While the element now generally mentions that low density neighborhoods contribute to segregation, it should still include specific analysis of the RCAA's. The analysis should address trends, conditions, comparisons to other neighborhoods, effectiveness or absence of past strategies, local data and knowledge and other relevant factors related to equitable quality of life. For example, the element could discuss large annexations, large sites, and lower density and whether affordability or housing choices (e.g., multifamily) resulted from those annexations. The element could

also discuss whether public investments occurred in RCAAs. The element must add or modify meaningful programs based on the outcomes of this analysis, including actions to improve housing mobility (housing choices and affordability) within the City and throughout the region.

<u>Disproportionate Housing Needs, Including Displacement Risk</u>: The element now explains persons experiencing homelessness are concentrated in some areas of the City but should also expand the discussion of access to transportation and services (e.g., health care, social services, employment, retail). The element should utilize local data and knowledge such as service providers to assist this analysis.

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element generally was not revised to address this requirement. The element should evaluate identified sites by location and income group according to AFFH factors (e.g., income, RCAA, resource, overpayment) and discuss whether sites improve or exacerbate current fair housing conditions. Please see HCD's prior review for additional information.

<u>Contributing Factors to Fair Housing Issues</u>: Based on the outcomes of a complete analysis, the element should re-assess and prioritize contributing factors to fair housing issues to better formulate policies and programs and carry out meaningful actions to AFFH.

<u>Programs</u>: As noted above, the element requires a complete AFFH analysis. Depending upon the results of that analysis, the City may need to revise or add programs. In addition, goals and actions must specifically respond to the analysis and 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 or numeric targets, geographic targeting, and milestones and must address, as appropriate, housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization, and displacement protection.

In addition, the element should add other housing mobility actions, including, but not limited to rezoning to multifamily, missing middle strategies, religious institutional sites, conversion of existing space in single-family dwellings, home sharing or other actions to promote housing choices and affordability in areas throughout the City, including RCAAs and areas of higher opportunity and higher median income relative to the rest of the community.

2. An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for

redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities... (Gov. Code, § 65583, subd. (c)(1).)

<u>Realistic Capacity</u>: As noted in the prior review, the element should account for the likelihood of 100 percent nonresidential development in zones allowing 100 percent nonresidential development and the likelihood of development utilizing the overlay. This analysis should be based on recent trends and other factors, as follows:

- With respect to zones that allow 100 percent nonresidential development, the element explains several areas designed for a mix of uses and in some cases uses a residential likelihood rate but should clearly identify the zones that allow 100 percent nonresidential. For example, the element should clearly describe whether the MU, C-3, P-C-C and U-C zones allow 100 percent nonresidential use. The element should discuss the trends in these zones for all development and how often development includes a residential component then account for that likelihood in the calculation of residential capacity.
- With respect to the overlay zone, the element discusses trends and mentions that out of the 16 overlay sites with entitlements, 12 sites used the underlying base zone and not the overlay. This results in a 25 percent usage rate of the overlay zone. The element then lists overlay sites (Table 5-5) and calculates capacity based on the minimum density but should also account for the likelihood of using the overlay (25 percent). For example, the element could multiply realistic capacity for overlay sites by 25 percent (e.g., 2.1 acres multiplied by 35 units per acre multiplied by 25 percent usage rate) or account for the usage rate on an aggregated level.

Large Sites: Sites larger than ten acres in size are deemed inadequate to accommodate housing for lower-income households unless sites of equivalent size and affordability developed in the prior planning period or other evidence demonstrates the suitability of the sites to facilitate the development of housing affordable to lower-income households. The prior review noted the element should discuss recent comparable developments or provide other evidence for assuming the development of housing for lower-income households. For example, the element could discuss the timing for Master Plan process, parceling, site planning, or other methods and how the City can facilitate appropriately sized lot sizes and affordability. In response, the element assumes a mix of incomes on large sites based on the Regional Housing Needs Allocation (RHNA) with 60 percent affordability to lower-income households. But the

element should either include an analysis as described in the prior review, show a basis for assuming 60 percent based on past trends of large sites and affordability to lower-income households or rescale assumptions based on recent or anticipated development. For example, if the element proposed an inclusionary requirement or other mechanism to promote a percentage of affordability in larger development, the element could utilize those assumptions instead of utilizing the RHNA proportions. Based on the outcomes of a complete analysis, the element should add or modify programs to facilitate appropriate sizes and affordability, including phasing or parceling early in the planning period, on large sites.

<u>Suitability of Nonvacant Sites</u>: The element must include an analysis to demonstrate the potential for redevelopment. The analysis shall consider factors including, but not limited to, the extent existing uses constitute an impediment, recent developments, and market conditions. In response to this requirement, the element now describes that most nonvacant sites are agricultural lands or large rural sites with an existing single-family home and no sites have existing commercial businesses. The element also adds a few examples, but should still be revised, as follows:

- Rural Residential Sites with an Existing Single-Family Home: Many of the examples with an existing single-family home have a significant difference between the number of prior units versus the number of built units. For example, SPR2014-10 (APN: 555-110-50) (p. 5-12) had a prior single-family residence and was replaced by 47 units a ratio of 47 to 1. Generally, ratios range from 7 to 1 to 80 to 1. However, some sites do not appear consistent with these ratios. The element should either explain these differences and demonstrate the suitability of sites for redevelopment or remove the sites.
- Agricultural Lands: While the element now lists an example of agricultural lands converting to residential uses, it should still describe the likelihood of agricultural uses discontinuing to facilitate residential development. For example, the element lists some recent trends and should describe any similarities to the identified sites.

<u>Electronic Sites Inventory</u>: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <a href="https://www.hcd.ca.gov/planning-and-community-development/housing-elements">https://www.hcd.ca.gov/planning-and-community-development/housing-elements</a> for a copy of the form and instructions. The City can reach out to HCD at <a href="mailto:sitesinventory@hcd.ca.gov">sitesinventory@hcd.ca.gov</a> for technical assistance.

<u>Programs</u>: As noted above, 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 H1 (Annexation Program): While the Program generally commits
  to steps to complete annexations, it should also commit to alternative
  actions (e.g., rezoning) by a specified dated, if annexations are not
  complete by a specified date.
- Program H3 (Surplus Public Land): The Program now commits to
  publicize the public land inventory and send it to non-profit developers
  annually. However, the Program should still commit to a schedule of
  actions such as assisting with funding, facilitating entitlements, issuing
  building permits and alternative actions if development does not occur by
  a specified date.
- Program H6 (Missing Middle Housing Tools): As noted in the prior review, the Program should evaluate progress every other year or at least three times in the planning period and take alternative action. The Program currently only commits to take alternative action once in the planning period if targets are not being met.
- 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).)
  - <u>Program H26 (Farmworker Housing)</u>: The Program commits to assistance with site identification and grant opportunities but should commit to additional actions such as pursuit of regional strategies in coordination with employers and related organization, strategies to integrate farmworker housing into affordable housing, and addressing existing housing conditions of farmworkers.
- 4. Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. During the housing element revision process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. For example, as noted in the prior

review, HCD urges the City to consider input from commenters on this review and incorporate revisions, as appropriate. Further, Self Help Enterprises has provided helpful comments to other cities in the region that have meaningful application county-wide. HCD encourages the City to consider these comments and will send the comments under separate cover. Finally, 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.

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

As a reminder, the City's 6th cycle housing element was due December 31, 2023. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element 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 does not adopt a compliant housing element within 120 days of the statutory deadline (December 31, 2023), then any rezoning to make prior identified sites available or accommodate the 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 does not 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 Strategic Growth Council and HCD's 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: <a href="https://www.opr.ca.gov/planning/general-plan/guidelines.html">https://www.opr.ca.gov/planning/general-plan/guidelines.html</a>.

HCD appreciates the hard work and dedication the City's housing element team provided during the update of the housing element. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jose Ayala, of our staff, at Jose.Ayala@hcd.ca.gov.

Sincerely,

Paul McDougall

Senior Program Manager