

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



January 19, 2024

Jesus Orozco, Director
Community Development Department
City of Kerman
850 S Madera Avenue
Kerman, CA 93630

Dear Jesus Orozco:

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

Thank you for submitting the City of Kerman's (City) revised draft housing element received for review on November 21, 2023. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The revised draft element addresses many statutory requirements described in HCD's September 29, 2023 review; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq), as follows:

1. *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).)

Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)

Housing Needs and Special Needs Assessment: The element has now added analysis regarding housing needs, including special needs households. However, the element should also address the magnitude of the gap between housing needs and resources and then add or modify programs in response to the magnitude of the gap. For example, the element generally discusses the housing

needs of extremely low-income (ELI) households and some resources and programs intended toward those housing needs but should also discuss the gap and magnitude of unmet needs between housing needs and resources and programs. This analysis should at least address overpayment, overcrowding, ELI households, and special needs households.

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

Realistic Capacity: The element has added additional examples to estimate the realistic development capacity for Kerman; however, it must still adjust assumptions based on more localized information from western Fresno County and comparable zones. For example, the element includes a sample from western Fresno County, but the zone is intended for lower densities. Based on the information in the element and other cities in the area, to address this requirement, the element should adjust assumptions for sites zoned residential closer to 60 to 65 percent of maximum allowable densities. Based on the outcomes of a complete analysis, the element must add or modify programs, as appropriate.

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

3. *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... (Gov. Code, § 65583, subd. (a)(5).)*

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... (Gov. Code, § 65583, subd. (c)(3).)

Land Use Controls: As noted in the prior review, while the element adds information regarding relevant land use controls, it must still analyze land use controls for impacts on housing supply, costs, and the ability to achieve maximum densities. For example, the element should clarify whether the 0.3 FAR applies to residential development in nonresidential zones and if so, analyze its impacts on the ability to achieve maximum densities. Also, the element (Table 1G-18, page 1G-141) indicates that sites in the Mixed-Use zone must meet the minimum lot size of 3 acres. However, this appears to be a constraint considering the sites inventory identifies sites with lot sizes under the 3-acre threshold. The element should reconcile this information and add or modify programs to remove this constraint. Based on the outcomes of a complete analysis, the element should add or modify programs to address identified constraints.

4. *The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

Program 8 (Support Funding for Farmworker Housing): While the Program has been revised to identify development opportunities at least twice during the planning period, the program must add actions to address existing conditions for farmworkers. For example, the program could clarify targeting in other rehabilitation programs along with increased metrics for farmworkers.

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).)*

To affirmatively further fair housing (AFFH), programs should be revised, as follows:

- *Program 11 (Promote and Facilitate Accessory Units)*: This Program should increase the metric or numeric target for the planning period.
- *Program 25 (Fresno County Rental Rehabilitation Program)*: This Program should increase the quantifiable metric.
- *Program 27 (Homebuyer Assistance Program)*: This Program should add geographic targeting and quantifiable metrics.

- *Program 29 (Housing Choice Vouchers)*: This Program should add geographically-targeted metrics (e.g., 10 percent of vouchers in western neighborhoods).
 - *Program 31 (Improve Access to Resources)*: This Program must add discrete timing, geographic targeting, and quantifiable metrics. Additionally, the Program must expand place-based actions with specific commitment, timing, geographic targeting and metrics or numeric targets toward outcomes. Examples of place-based strategies including targeting the City's capital improvement program toward a broad range of activities, applying for funding toward community revitalization, community amenities, parks, community facilities, recreation facilities, active transportation, infrastructure, streetscape improvements, safe routes to school and other community development activities.
 - *Program 32 (Environmental Hazard Mitigation)*: The Program should add specific commitments and quantifiable metrics. The Program should also consider adding actions to address disparities in access to environmental (e.g., air) quality.
6. *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).)*

While the element provides an overview of public comments recently received, it must also describe how prior comments are incorporated into the housing element. In addition, the discussion of public participation should not be limited to comments received on the City's housing element and should incorporate comments received on the Multi-Jurisdictional Housing Element. 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, 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. 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.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government did 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 (Program 6 – Use of Sites in Previous Cycles) or accommodate the regional housing needs allocation 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 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 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>.

HCD appreciates the hard work and dedication the City's housing element team provided during the course of our review. 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