GAVIN NEWSOM, Governor

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December 26, 2023

Cristian Gonzalez, City Manager City of Mendota 643 Quince Street Mendota, CA 93640

Dear Cristian Gonzalez:

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

Thank you for submitting the City of Mendota's (City) draft housing element received for review on September 29, 2023, along with revisions received on December 18, 2023. The revisions were made available to the public for seven days prior to the California Department of Housing and Community Development (HCD) review. The review was facilitated by a conversation on November 15, 2023, with the City's housing element team. Pursuant to Government Code section 65585, HCD is reporting the results of its review.

The draft element, including revisions, 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 31, 2023), then any rezoning to make prior identified sites available (e.g., Program 7 (Use of Sites in Previous Cycles)) 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 Cristian Gonzalez, City Manager Page 2

(c)(1) 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.

HCD appreciates the hard work and dedication demonstrated by the City and consultants throughout the housing element review and update. 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 Brandon Yung, of our staff, at <u>brandon.yung@hcd.ca.gov</u>.

Sincerely,

Paul McDougall Senior Program Manager

Enclosure

APPENDIX CITY OF MENDOTA

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 <u>https://www.hcd.ca.gov/planning-and-community-development/hcd-memos</u>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks),* available at <u>https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks</u> 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 review requirement is one of the most important features of the element update. The review of past programs should analyze the City's accomplishments over the previous planning period. This information provides the basis for developing an effective housing program. While the element lists and describes programs, it should also describe the actual results in terms of housing outcomes, then evaluate the effectiveness of programs to better inform appropriate actions in the current element. For example, in some cases, the element explains the City participated in a County program or made a brochure or other information available but should also explain whether households were assisted. This analysis should be conducted for all programs, including programs intended to address special housing needs and programs should be revised, based on the outcomes of a complete analysis.

B. Housing Needs, Resources, and Constraints

 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).)

<u>Concentrated Areas of Poverty</u>: The element includes information relative to Racially and Ethnically Concentrated Areas of Poverty (R/ECAP) and areas of High Segregation and Poverty but should evaluate the characteristics of these areas, changes over time, comparisons to other neighborhoods in terms of equitable quality of life and consider other relevant factors, such as public participation, past policies, practices, and investments and demographic trends. Disproportionate Housing Needs, Including Displacement Risk: The element includes some general information on persons experiencing homelessness but should also evaluate that information. Specifically, the element should examine patterns of need or areas with higher concentrations of persons experiencing homelessness, including access to transportation and services. The element should utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.

<u>Contributing Factors to Fair Housing Issues</u>: Based on the outcomes of a complete analysis, the element should re-assess and prioritize the contributing factors to fair housing issues.

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).)

<u>Realistic Capacity</u>: The element discusses assumptions for calculating residential realistic capacity (80 percent of maximum) and some mixed-use trends in nonresidential zones. However, the element should address the likelihood of 100 percent nonresidential uses in zones that allow 100 percent nonresidential uses and adjust residential capacity assumptions as appropriate, particularly for zones that don't allow 100 percent residential projects. For example, the element should discuss all recent development trends (residential and nonresidential), how often 100 percent nonresidential uses occur or is anticipated to occur, and how those trends are incorporated into the calculation of residential capacity.

<u>Annexation</u>: The element indicates several sites and projects that are undergoing an annexation process and appears to significantly rely on annexation to accommodate the regional housing needs allocation (RHNA), including for lower-income households. As a result, the element should include a specific analysis of the suitability and availability of these sites for development in the planning period, including the status, remaining steps to complete annexation and any barriers or constraints to the availability of these sites for development in the planning period. Based on the outcomes of a complete analysis, the element must modify Program 5 (Annexation for RHNA) to commit a schedule of actions that will facilitate annexation in the planning period, including, if necessary, meeting all byright requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i).

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....and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).) Land Use Controls and Processing and Permit Procedures: The element utilizes the C-3 zone and planned development process for a significant portion of the RHNA and the element should include a specific analysis of the zone and the process to evaluate any potential constraints and add or modify programs, as appropriate. The evaluation should address how development standards are available, decision making authority, approval findings and any potential impacts on housing cost, timing, feasibility and approval certainty.

Additionally, the element includes a map of the Airport Land Use Compatibility (ALUC) Plan (p. 1I-43) and mentions that none of the constrained areas "located within the ALUC safety zones have been used in the site inventory." However, several sites appear to be contained within the ALUC Plan. The element should analyze the ALUC zones that cover portions of sites in the inventory and analyze how the safety zones impact development within the planning period, including development standards, siting, costs, approval certainty or any other relevant factors.

C. Housing Programs

 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... Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including... ...supportive housing...emergency shelters... (Gov. Code, § 65583, subd. (c)(1).)

As noted in Finding B2, 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 5 (Annexation for RHNA)*: The Program must commit a schedule of actions that will facilitate annexation in the planning period, including, if necessary, meeting all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i).
- *Program 18 (Zoning Code Amendments)*: In addition to amending parking standards for emergency shelters, the Program should commit to establishing appropriate development standards in compliance with statutory requirements. In addition, the Program should clarify that zoning will be amended to permit permanent supportive housing without discretionary action.
- 2. 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 9 (Support Funding for Farmworker Housing)</u>: The Program should expand upon actions, such as adding additional proactive actions (e.g., identifying development opportunities at least twice in the planning period) to support the development of housing for farmworkers.

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

As noted in Findings B3, the element requires a complete analysis of potential governmental 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.

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. (Gov. Code, § 65583, subd. (c)(5).)

As noted in Finding B1, the element requires a complete affirmatively furthering fair housing (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 toward community revitalization, and displacement protection. For example, the element should expand place-based strategies toward community revitalization beyond implementing general plan policies. HCD will send sample programs under separate cover.

D. 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)(9).)

While the element provides a general overview of the public participation process, the element must also provide a discussion on how comments from public outreach were considered and incorporated into the housing element. For example, the element could summarize the feedback received and describe the actions incorporated into the housing element resulting from the feedback. For additional information, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/public-participation.