

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

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September 12, 2023

Marissa Trejo, City Manager
City of Coalinga
155 West Durian
Coalinga, CA 93210

Dear Marissa Trejo:

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

Thank you for submitting the City of Coalinga's draft housing element received for review on June 14, 2023, along with revisions received on September 6, 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. Our review was facilitated by a conversation on August 7, 2023, with the City's housing element team.

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 31, 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>.

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

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF COALINGA

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. 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).)*

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.

In addition, to better evaluate displacement risks, the element could utilize new data available for displacement risk on HCD's Affirmatively Furthering Fair Housing (AFFH) Data Viewer available at <https://www.hcd.ca.gov/planning-and-community-development/affirmatively-furthering-fair-housing>.

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

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).)

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 includes a quantification of housing needs, including special needs for the region and some reporting of demographics for the City. While this quantification is generally adequate, the element should analyze the quantification to better understand housing needs and formulate appropriate policies and programs for the City. For example, this analysis should address trends, characteristics, magnitude of needs, resources, and potential strategies and should at least be conducted for population growth, employment, tenure, overpayment, overcrowding, housing unit types, and special needs households.

- 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).)*

Realistic Capacity: The element must estimate of the number of units for each site and account for land use controls and site improvements and typical densities of existing or approved residential developments at a similar affordability level. To address this requirement, the element lists some recent multifamily developments in the City and selects a small number of projects from a different part of the County. This small selection of projects from a different part of the County and market area significantly influences the assumptions for calculating realistic capacity. However, the element should better reflect local conditions and utilize local data or comparable areas in western portions of County or adjacent counties. This is particularly important since the element appears to show most recent multifamily developments requested densities less than the assumptions in the inventory.

Suitability of Nonvacant Sites: The element appears to identify only one nonvacant site (Site 4) to accommodate the regional housing need allocation (RHNA). However, the element should clearly state whether Site 4 is the only nonvacant site. If Site 4 is the only nonvacant site, the element should go beyond simply describing the use and demonstrate the potential for redevelopment, including evaluating the extent existing uses impede additional development. For example, the element could discuss the degree of underutilization, structural conditions, lack of investment, interest from developers or property owners in residential development or recent trends on sites with similar circumstances. If more than Site 4 is nonvacant, the element must still demonstrate the potential for redevelopment. The analysis must address 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. The element could also consider indicators such as age and condition of the

existing structure expressed developer interest, low improvement to land value ratio, degree of underutilization and other factors.

Zoning for a Variety of Housing Types (Emergency Shelters): The element lists various sites and adds Program 15 (Zoning Code Amendments) to amend zoning to permit emergency shelters without discretionary action. However, the element should also discuss proximity to amenities and services for persons experiencing homelessness which may include health care, transportation and social services.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... ..local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: The element lists some residential zones, including single-family residential zones. However, the City does not appear to have a single-family zone allowing more than five units per acre. Essentially, there is a lack of a variety of minimum lot sizes and allowable densities. The lack of a variety of lot sizes and densities can impact housing supply, choices and affordability. As a result, the element should include analysis of these potential impacts and add or modify programs as appropriate. For example, the element could add programs to explore and amend zoning to allow smaller lot sizes (e.g., four to eight thousand square feet).

Local Processing and Permit Procedures: While the element provides a description of conditional use permit requirements and the prerequisites for ministerial approval or Site Plan Review and Design Review, it must further describe and analyze the Site Plan Review and Design Review process. The analysis should address the decision-making body, public hearing and if necessary, number of public hearings and findings of approval for a typical development that is consistent with the general plan and zoning. The analysis must evaluate the impacts on housing supply (number of units), housing costs, timing and, particularly, approval certainty.

B. 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 have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines (e.g., month and year), as follows:

- *Program 11 (Promote and Facilitate Accessory Dwelling Units (ADU))*: The Program should include a timeline by which the ADU ordinance will be updated and comply with state law.
 - *Program 15 (Zoning Code Amendments)*: While the Program commits to ensure parking will not be more than other residential and commercial uses, it should also ensure parking will be no more than what is sufficient to accommodate staff working in the shelter. In addition, the Program should commit to meeting all requirements pursuant to AB 2339, including amending the definition of emergency shelter.
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 A3, 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.

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).)*

The element should add or modify actions to assist in the development of housing and shelter, as follows:

- *Program 6 (Affordable Housing Incentives)*: While the Program describes actions to facilitate the development of affordable housing, it should also clarify that development opportunities will be identified at least on an annual basis.
 - *Program 7 (Support Funding for Farmworker Housing)*: 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.
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 Finding A4, 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.

5. *The Housing Element shall include programs to conserve and improve the condition of the existing affordable housing stock. (Gov. Code, § 65583, subd. (c)(4).)*

While Program 10 (Preservation of At-Risk Housing Units) includes a variety of actions to preserve at-risk units, it should also commit to proactive outreach and partnering or applying for funding sources to ensure continued affordability of at-risk units.

6. *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 A1, 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 relatively higher 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 examples under a separate cover.

C. 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.