

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

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February 9, 2024

Sonia Hall, City Manager
City of Parlier
1100 E. Parlier Ave.
Parlier, CA 93648

Dear Sonia Hall:

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

Thank you for submitting the City of Parlier's (City) draft housing element received for review on November 10, 2023. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from David Kellogg, pursuant to Government Code section 65585, subdivision (c).

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.

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 of the City's housing element team during the housing element 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 Melissa Vasquez, of our staff, at Melissa.Vasquez@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF PARLIER

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. 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).)

As part of the evaluation of programs in the past cycle, the element must also describe the cumulative effectiveness of 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). The element should evaluate the cumulative effectiveness of programs in addressing the objectives of the programs and programs should be revised as appropriate to reflect the results of this evaluation.

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).)*

Concentrated Areas of Poverty: The element includes information relative to 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. This analysis should include local data and knowledge to better understand the data given the census tracts appear to go far beyond the City limits.

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 disproportionate

impacts on people with protected characteristics and services available and 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 to assist this analysis.

Contributing Factors: Upon a complete analysis, the element may need to re-assess 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 does not address this requirement. While the element assumes an 80 percent capacity assumption, it must support this assumption, including accounting for recent trends by affordability, land use controls and site improvements. To address this requirement, the element could list recent development in the City, and if needed broader area, by units, zone, allowable density, built density and affordability.

Large Sites: While the element states large sites will only use ten acres of buildable acreage to accommodate lower-income RHNA, it must still provide analysis regarding the suitability of large sites (greater than ten acres) for development of housing for lower-income households. Absent analysis of development in the prior planning period of equivalent size and affordability or other evidence that demonstrates the suitability of

these sites, the large sites are deemed inadequate to accommodate housing for lower-income households. For example, the element should describe the characteristics of anticipated development on identified large sites, including opportunities and timing for specific-plan development, further subdivision, parceling, site planning or other methods to facilitate appropriately sized sites that encourage the development of housing affordable to lower-income households. Based on the outcomes of this analysis, the element should add or modify programs.

Annexations: The element indicates that some sites will need to be annexed to be available for development in the planning period. Especially given the lack of sites becoming available in the prior planning period, the element should discuss the status, remaining steps and any known barriers to sites being annexed early in the planning period. Based on the outcomes of this analysis, the element should add or modify programs.

Availability of Infrastructure: The element states the City does not have enough water and sewer capacity to serve the RHNA but has planned improvements to serve additional development. The element should further describe the planned improvements and clarify whether the improvements are sufficient to accommodate the RHNA. In addition, the element should add or modify programs based on this analysis, including committing to all necessary actions to make the needed improvements.

Environmental Constraints: While the element generally describes a few environmental conditions within the City, it should also describe any other known environmental or other constraints that could impact housing development on identified sites in the planning period. Examples of other known conditions include shape, access, contamination, property conditions, easements, Williamson Act contracts, conservation easements, overlays and airport and military compatibility.

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.

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

Land Use Controls: 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. For example, the analysis should address the impacts of heights on the ability to

achieve maximum densities for multifamily zones. The analysis should address any impacts on cost, supply (number of units) and ability to achieve maximum allowable densities and include programs to address identified constraints. The analysis could seek input from development community.

Codes and Enforcement: The element must describe and analyze which building code (e.g., 2022) is enforced, any local amendments to the building code and their enforcement for impacts on housing supply and affordability. For additional information and a sample analysis, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards>.

On/Off-Site Improvements: While the element lists a few requirements, it should also evaluate the cost impacts of on and off-site improvements requirements for a typical development.

5. *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).)*

The element identifies 17 units at-risk of converting to non-low-income housing uses (Parlier Parkwood Apartments) and notes the affordability restrictions have expired. The element should also update the status of this development and add or modify programs as appropriate to preserve these units at-risk of conversion to market rate uses.

C. Housing Programs

1. *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 B3, 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 (Rezoning and Prezoning/Annexation for RHNA):* The Program must be revised to complete rezoning within the first year of the planning period. The element will not be found in compliance if the year has expired and HCD may revoke compliance. In addition, the Program does not address all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). For example, the Program does not address affordability requirements. Finally, the Program must commit to a specific schedule of actions to facilitate annexations.
- *Program 16 (Zoning Code Amendments):* For emergency shelters, the Program should commit to amend the definition of emergency shelter, ensure sufficient capacity to accommodate the need for emergency shelters, including proximity to transportation and services and establish objective standards. For single room occupancy (SRO), the Program should commit to establish appropriate development standards that encourage the use.

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).)*

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

- *Program 8 (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 9 (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 and addressing existing housing conditions 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. 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 B4, the element requires a complete analysis of potential governmental. 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.

In addition, the element notes the definition of family is a constraint on housing for persons with disabilities (p. 1K-130). As a result, the element should include a program to address the identified constraint and amend the definition of family.

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 analysis of affirmatively furthering fair housing (AFFH). Depending upon the results of that analysis, the City may need to revise or add programs. In addition, the element must be revised to add or modify to specifically respond to the analysis and to 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, geographic targeting, metrics or numerical objectives and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection. Specifically, the element should add actions to promote place-based strategies toward community revitalization, including addressing environmental conditions.

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 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.