DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

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March 26, 2024

Fernando Santillan, City Manager City of Selma 1710 Tucker St. Selma, CA 93662

Dear Fernando Santillan:

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

Thank you for submitting the City of Selma's (City) draft housing element received for review on December 28, 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), as follows:

- 1. 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 review of programs in the past cycle, the element must provide an evaluation of the 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). Based on the outcomes of a complete analysis, the element must add or modify programs.
- 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).)

Progress toward the Regional Housing Need Allocation (RHNA): The element lists seven projects utilized towards the above-moderate RHNA. However, the element must demonstrate their availability or likelihood of development in the planning period. To address this requirement, the element should discuss remaining steps to issuing building permits, any known barriers to timely development and the likelihood the projects will be built in the planning period. Based on the outcomes of this analysis, the element should adjust assumptions in utilizing projects toward the RHNA and add or modify programs, as appropriate.

Realistic Capacity: The element utilizes potential residential capacity in zones that allow 100 percent nonresidential development. The element assumes 50 percent of maximum allowable density in these zones. While this assumption may be conservative, the element should still discuss the likelihood that these zones will develop with residential uses to support the residential capacity assumption. For example, the element could discuss all past development in these zones and the probability of residential uses, gather intentions from property owners, seek input from developers and realtors, then adjust residential capacity assumptions, if necessary, and add or modify programs to promote residential development in zones that allow 100 percent nonresidential development.

<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 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.

<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 5 (Sites Inventory Rezoning and Annexation): For rezoning to address a shortfall of capacity to accommodate the lower-income RHNA, the Program must clarify that both the shortfall rezoning and zoning consistency rezoning will meet all by right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i).

- Program 5 (Sites Inventory Rezoning and Annexation): For annexation, the Program must commit to meet all by right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). In addition, while the element includes the Casitas Annexation as part of the sites inventory strategy, this action will not occur until 2026. For your information, 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 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). HCD may not be able to find the element into substantial compliance until the rezoning under the annexation is complete. Given the timing of the annexation and the City's housing element submittal, the City could consider rezoning additional "optional" sites within the first year of the planning period.
- Program 6 (Water and Wastewater Service): The Program should commit
 to how often the City will meet with SFK and nearby cities, when the
 potential need for expansion will be identified and when subsequent
 actions will be completed if a need for expansion is identified (e.g., within
 a year).
- Program 7 (Use of Sites in Previous Cycles): The Program timing should be benchmarked to the beginning of the planning period instead of housing element adoption and generally must be completed within the first year or three years depending on the circumstances.
- Program 20 (Lot Consolidation and Lot Splits): The Program should commit to facilitating appropriately sized sites and affordability, establishing incentives by a specified date beyond State Density Bonus Law and numeric objectives for the planning period consistent with assumptions in the sites inventory.
- 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, 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).)

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).)

Land Use Controls: The element must identify and analyze all relevant land use control 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. The analysis should address any impacts on cost, supply (number of units), and ability to achieve maximum densities and include programs to address identified constraints. For example, the element could provide a recent or sample project analyzing the cumulative impact of land use controls and ability to achieve maximum densities.

<u>Programs</u>: As noted above, 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.

In addition, Program 17 (Zoning Code Amendments) should clarify that group homes for seven or more persons will be a permitted use (e.g., will not require a conditional use permit) and will be permitted in accordance with the City's definition of family regardless of licensing.

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).)

While the element includes many potentially meaningful actions to affirmatively further fair housing (AFFH), it should consider additional actions to address displacement risks. For examples of potential programs, please see HCD's AFFH Guidance Memo (starting on page 72). HCD will send additional examples under separate cover.

In addition, actions to AFFH must have specific commitment, geographic targeting, metrics or numerical objectives and milestones, as follows:

- Program 9 (Support Funding for Farmworker Housing): The Program should expand upon actions and address existing housing conditions for farmworkers. For example, the Program could target education and marketing for rehabilitation programs or add priority for farmworkers in rehabilitation programs.
- *Program 10 (Farmworker Preference)*: The Program should consider geographic targeting for setting aside housing for farmworkers in relatively higher resource and median income areas.
- Program 13 (Accessory Dwelling Units (ADU)): The Program should consider increasing the metric for ADUs in the planning period, including geographically targeting the metric (e.g., at least 40 percent in targeted neighborhoods).

- Program 14 (ADU Amnesty): The Program should consider geographically targeting efforts (e.g., prioritizing relatively lower median income or higher poverty areas).
- Program 16 (Housing for a Variety of Needs): The Program should consider geographically targeting the metric (e.g., at least 40 percent in relatively higher income and resource areas).
- Program 31 (Improve Access to Resources): The Program should include discrete timing and a metric that is geographically targeted for prioritizing the City's Capital Improvement Program (e.g., at least annually prioritize 1-2 improvements per year in areas of relatively higher poverty).
- Program 32 (Neighborhood Improvements): The Program should consider expanding actions beyond implementing the general plan or clarify how the City will implement the general plan. For example, the Program should commit to annually apply for funding to implement general plan policies. In addition, the Program should clarify that place-based strategies are not limited to the listed general plan policies and will consider a broader set of strategies. Finally, the Program should consider outreach with targeted neighborhoods and metrics (e.g., 1-2 improvements or implementation activities per year).
- 5. The housing program shall preserve for low-income household the assisted housing developments identified...(Gov. Code, § 65583, subd. (c)(6).)

While Program 12 (Preservation of At-Risk Housing Units) includes a variety of actions to preserve at-risk units, it should also commit to assisting with funding or supporting applications for funding and proactive coordination with property owners earlier in the planning period.

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 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 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.

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.

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 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 Laurissa Wells, of our staff, at Laurissa.Wells@hcd.ca.gov.

Sincerely,

Paul McDougall

Senior Program Manager