

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

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April 8, 2022

Jessica Binnquist, City Manager
City of Alhambra
111 South First Street
Alhambra, CA 91801

Dear Jessica Binnquist:

RE: City of Alhambra's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Alhambra's (City) housing element adopted on January 31, 2022 and received for review on February 8, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Henry Fung; Californians for Homeownership, Abundant Housing LA, YIMBY Law and Josh Albrekston pursuant to Government Code section 65585, subdivision (c).

The adopted element addresses many statutory requirements from HCD's December 2, 2022 review; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. 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 this statutory deadline, then any rezoning to accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline. 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).

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 Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; 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.

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.

HCD appreciates the dedication and hard work the housing element team provided during the review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions, please contact Gerlinde Bernd, of our staff, at Gerlinde.Bernd@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF ALHAMBRA

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 <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> 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).)*

Enforcement and Outreach: As noted in the prior review, the element could summarize the results of various outreach efforts to better formulate goals and actions. Instead, the element now explains input from residents is important but the only briefly describes that input. The element should consider this outreach in greater detail, particularly related to the various assessments of fair housing and formulation of policies and program.

Disproportionate Housing Needs, Including Displacement: The element now includes some analysis on overpayment, overcrowding and housing conditions but should also address impacts on protected characteristics and access to opportunity for persons experiencing homelessness.

Other Relevant Factors: The element now includes some information related to past redlining and inequities in financing availability but should also still analyze historical land use, historical land use, zoning, governmental and nongovernmental spending, including transportation investments and demographic trends. The element should particularly utilize this information to complement the data and evaluation related to the various components of the assessment of fair housing (e.g., segregation and integration, disparities in access to opportunity).

Sites Inventory and Affirmatively Furthering Fair Housing (AFFH): While the element included data on the number of regional housing need allocation (RHNA) units by income category relative to some socio-economic concentrations, the analysis should discuss the magnitude of the impact including the number of units by income group relative to locations or neighborhoods within the City, including any isolation of the RHNA and then address whether sites exacerbate or improve segregation and integration. HCD will send a sample table under separate cover.

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

Goals, Priorities, Metrics, and Milestones: Based on the outcomes of a complete analysis, the element must be revised to add or modify goals and actions accordingly. Goals and actions must 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 appropriate specific commitment, metrics, milestones and be specifically targeted toward AFFH outcomes.

2. *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).)*

Housing Conditions: The element now includes some information on code enforcement and estimates a number of cases per year but should still include a City-wide estimate of the number of units in need of rehabilitation and replacement.

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).)*

Progress toward the RHNA: The element now includes information on the availability and affordability of pending projects. In addition, in response to HCD's finding regarding The Villages at the Alhambra, the element now commits to reclassify the project as a potential nonvacant redevelopment, as well as assess its realistic capacity within the planning period. However, the element should assess its availability in the planning period now and programs should be modified to make alternative sites available within 180 days if the project is not approved as assumed in the inventory if its not approved within 2 years.

Parcel Listing: The element must still list parcels by general plan designation as noted in the prior review.

Realistic Capacity: HCD prior review found the element should account for the likelihood of 100 percent nonresidential uses occurring on identified sites. In response, the element now appears to explain that 100 percent nonresidential uses is highly likely in nonresidential zones. As a result, the calculation of capacity should account for this likelihood.

Nonvacant Sites: While the sites inventory now includes various values for indicators or assumptions regarding redevelopment potential, the element should still expand the discussion of redevelopment trends to support redevelopment assumptions and adjust calculations or the inventory if appropriate. Please see HCD's prior review for additional information.

In addition, for your information, the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, which triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. While the resolution of adoption includes the appropriate findings, any changes to the analysis should be reflected in future re-adoption of the element.

Electronic Sites Inventory Form: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Accessory Dwelling Units (ADUs): The element assumes 75 ADUs per year for a potential buildout of 600 units within the planning period. According to HCD records, the City has permitted an average of 16 units per year since 2018, which is far less than the 75 units assumed in the element. In response, the element now explains the City maintains its own records. However, the City should reconcile its records with HCD's. In addition, the City assumptions are strongly reliant on applications received in 2021 (231) which is later converted into permits using a conversion factor based on past trends that do not appear annualized. The element should include analysis of this conversion factor and apply an appropriate annual conversion factor based on the outcomes of that analysis.

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).)*

Local Processing and Permit Procedures: HCD's prior review found the element should specifically address approval procedures and findings for the Residential Planned Development (RPD) permit including the number of public hearings, approval findings and any other discretionary approval procedures. In response, the element concludes the process adds time, cost and uncertainty to development. However, the element should specifically analyze the procedure as noted in the prior review to better formulate appropriate policies and programs.

Constraints on Housing for Persons with Disabilities: HCD's finding found group homes for seven or more persons are excluded from several residential zones and subject to a conditional use permit. In response, the element notes the zoning code should be amended to permit larger group homes where multifamily is allowed. However, the element did not contain specific commitment to make this amendment. Further, the

element should still address the exclusion of these uses from several zones, including lower density zones and specifically commit to amend procedures to promote objectivity and 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).)*

As noted in the prior review, to have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines and specific commitment. While some programs were revised, the following programs should still be revised:

- *Program 22 (City-owned land):* The Program could include additional steps beyond evaluating opportunities at the Alhambra Golf Course and how often the City will look for additional opportunities.
 - *Program 26 (ADUs):* The element should include subsequent actions (e.g., rezone) within a specified time if ADUs are not permitted as assumed in the element.
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 was 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. *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 Findings A4, the element requires a complete analysis of potential governmental and non-governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs to 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 protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element does not contain programs that satisfy the AFFH requirements for specific and meaningful actions to overcome fair housing issues. Based on a complete analysis, the element must add or revise programs.

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)(8).)

While the element now includes a general summary of the public participation process, including how some comments were incorporated into the element, some comments, including those considered by HCD in this review, are worthy of consideration as part of housing element update. For example, Program 33 (Housing Element Maintenance) could be expanded to include identified sites, AFFH and other topics and to make specific commitment to adjustments within a specified time period.