

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

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February 7, 2024

Pamela Eastlick, Interim City Administrator
City of Etna
PO Box 460
Etna, CA 96027-0460

Dear Pamela Eastlick:

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

Thank you for submitting the City of Etna's (City) draft housing element received for review on November 9, 2023 along with revisions received on February 1, 2024. The revisions were made available to the public for seven days prior to review by the California Department of Housing and Community Development (HCD). Our review was facilitated by a conversation on January 9, 2024 with you and your consultants Rico Tinsman, Vanessa Blodgett, and Michelle Nielsen. In addition, HCD considered comments from David Kellogg pursuant to Government Code section 65585, subdivision (c). HCD is reporting the results of its review pursuant to Government Code section 65585.

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. *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).)*

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).)

Local Data and Knowledge and Other Relevant Factors: With factors such as a smaller population, being within one census tract and the census tract extending well beyond the City limits, the state and federal data is influenced by demographic information beyond the City limits. For these and other reasons, the analysis of fair housing should particularly utilize local data and knowledge and other relevant factors to better understand any local patterns or differences or

lack of differences from neighborhood to neighborhood. Local data and knowledge and other relevant factors should be used across all of the fair housing analysis components (e.g., segregation and integration, disparities in access to opportunity and disproportionate housing needs). Examples of local data and knowledge include information from City officials (e.g., planners, code enforcement, civil engineers, local legislators), past surveys and assessments, infrastructure investments to inform capital improvement plans, data used for applications for funding, service providers, developers, school representatives, regional planners, service districts and other sources. For example, the recent housing condition survey, City officials and service providers could better inform any local patterns or differences in housing conditions and access to opportunity for persons experiencing homelessness. Examples of other relevant factors include land use, zoning, development patterns, state and federal investment, physical or social barriers and access to schools (e.g., safe routes to school), community amenities, facilities and programs. For example, the element could discuss any differences between neighborhoods that might have been influenced by the highway or railroad. HCD will send an analysis guide to assist the City with this analysis.

Contributing Factors: Based on the outcome of a complete analysis, the element should reassess and prioritize contributing factors to fair housing issues and prioritize those factors and then formulate appropriate policies and programs.

Programs: As noted above, 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. 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 specific commitment, milestones, geographic targeting and metrics or numerical targets and, as appropriate, address housing mobility enhancement (housing choices and affordability across geographies), new housing choices and affordability in higher opportunity or income areas (throughout the City), place-based strategies for community preservation and revitalization, and displacement protection.

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).)*

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

Housing Conditions: While the element includes an estimate of housing conditions based on the age of the housing stock, some older housing stock may

be well maintained and in good condition. The element should expand on this estimate and utilize local knowledge (e.g., City officials) to estimate the number of units in need of rehabilitation and replacement and add or modify programs, as appropriate.

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).)*

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).)

Parcel Inventory: While the element identifies sites by various factors such as size, general plan designation, zoning and realistic capacity, it should also list sites by anticipated affordability (e.g., lower-income, moderate, above-moderate)

Small and Large Sites: Sites smaller than a half-acre and larger than ten acres are not suitable for the development of housing for lower-income households unless sites of equivalent size and affordability were developed in the prior planning period or other evidence demonstrates the suitability of small sites. For your information, unless the element includes appropriate analysis and programs, small and large sites should not be utilized toward the lower-income Regional Housing Needs Allocation (RHNA) for the purposes of maintaining adequate sites pursuant to Government Code section 65863.

Sites Identified in Prior Planning Periods: Sites identified in prior planning periods generally shall not be deemed adequate to accommodate the housing needs for lower-income households unless a program, meeting statutory requirements, requires rezoning within one or three years. The element should clarify if sites were identified in prior planning periods and if so, which sites and include a program if utilizing previously identified sites in the current planning period. The program should rezone and permit housing developments with 20 percent affordability by-right (without discretionary action) at appropriate densities pursuant to Government Code section 65583.2, subdivision (c)).

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.

Programs: 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.

4. *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).)*

Programs HE 5.1.1 (Support Housing for Extremely Low-income Households) and HE.5.1.3 (Promote the City's Housing Programs to Affordable Housing Developers): The Programs should include proactive outreach to affordable housing developers to identify development opportunities at least every other year.

5. *Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)*

While the element includes quantified objectives for new construction and rehabilitation by income group for extremely low-, very low-, low-, moderate- and above-moderate income, it must also include quantified objectives for conservation by income group. Examples of activities include weatherization, code enforcement, energy conservation, mobile home park preservation and fair housing education and enforcement.

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 February 15, 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 the City does not adopt a compliant housing element within 120 days of the statutory deadline (February 15, 2023), then any rezoning to make prior identified sites available or accommodate the 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 does not 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 commitment and responsiveness provided during the course of our 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 Jed Hackett, of our staff, at jed.hackett@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager