

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

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March 12, 2024

Todd Juhasz, City Manager
City of Mount Shasta
305 North Mount Shasta Boulevard
Mt. Shasta, California 96067

Dear Todd Juhasz:

RE: City of Mount Shasta's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the City of Mount Shasta's (City) housing element that was adopted January 8, 2024 and received for review on January 12, 2024. 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 Mount Shasta Tomorrow and Peggy Risch, pursuant to Government Code Section 65585, subdivision (c).

The adopted 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. *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).)*

The element includes data and a general discussion of housing challenges faced by special-needs households. However, given the unique and disproportionate housing needs of extremely low-income (ELI) households, the element must include analysis to better formulate policies and programs. For example, the element could analyze trends, cost burden, overcrowding and other household characteristics then examine the effectiveness of policies and resources to determine gaps in housing needs. The element should add or modify programs based on the outcomes of a complete analysis.

2. *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).)

An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... .. the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584.. (Gov. Code, § 65583, subd. (a)(6).)

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... (Gov. Code, § 65583, subd. (c)(3).)

Length of Time between Approval and Request for Building Permits: While the element now discusses requests to develop housing at densities below those identified in the inventory, it still should analyze the typical length of time between receiving approval for a housing development and submittal of an application for building permits. The analysis should address any hinderances on the construction of a locality's share of the regional housing need and programs should be added or modified as appropriate.

Program HO-2.3.4 (Streamlined Multifamily Approval): The element (p. A-90) acknowledges the conditional use permit (CUP) requirement for multifamily is a constraint on market rate and affordable multifamily development. In response, Program HO-2.3.4 proposes to permit multifamily without discretionary action. However, the Program is limited to qualifying housing development and instead should address the CUP requirements as a constraint for all multifamily development. For example, the Program could commit to permit all multifamily development without discretionary action or could commit to permit non-qualifying multifamily development with a site plan review.

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).)*

Program HO-2.2.1 (Support Affordable Housing): The Program should include proactive outreach to affordable housing developers to identify development opportunities at least every other year.

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).)*

The element generally was not revised to address this requirement. As noted in the prior review, programs to affirmatively further fair housing (AFFH) must include numeric objectives that beneficial impacts for people, households, and neighborhoods (e.g., number of people or households assisted, number of housing units built, number of parks or infrastructure projects completed). Second, the element must include additional actions to promote housing mobility (more housing choices and affordability throughout the City) and place-based strategies toward community revitalization. Examples of housing mobility strategies include promoting more housing choices and affordability in lower density areas such as increasing higher density capacity, facilitating multifamily on religious institutional sites, utilizing publicly owned sites, allowing conversion of existing single-family space and home sharing. Examples of place-based strategies include neighborhood improvements such as infrastructure, streetscapes, active transportation, safe routes to school, parks, community amenities and programs. Please see HCD's prior review for additional information.

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.

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>.

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 Shawn Danino, of our staff, at Shawn.Danino@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

HCD COMMENTS - CITY RESPONSE MATRIX

HCD Ltr Item #	HCD Comment	Mt. Shasta Response	On or Near Page #(s)
1	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.		
	Given the unique and disproportionate housing needs of extremely low-income (ELI) households, the element must include analysis to better formulate policies and programs.	Discussion added, see App A, sec. 5.1.7. More specifically, estimated ELI households based on current and historic CHAS ELI estimates. Reporting of ELI tenure, including trends; also, ELI housing problems for overpayment, overcrowding, and other housing problems. Reviewed housing solutions for ELI households, including local and regional conditions that also contribute to housing issues for ELI. Reviewed existing housing resources. Evaluated and identified housing element programs in Chapter 2 and the AFFH Action Plan that address the unique needs of ELI households.	Appendix A, page A-58 to A-67
2	<p>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 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 procedure.</p> <p>An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need.</p> <p>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.</p>		
	Length of Time between Approval and Request for Building Permits: analyze the typical length of time between receiving approval for a housing development and submittal of an application for building permits. The analysis should address any hinderances on the construction of a locality's share of the regional housing need and programs should be added or modified as appropriate.	Under new procedures, pursuant to revised Program HO-2.3.4, the City will no longer require separate Planning entitlements and building entitlements. At time of publication of this document, Objective Design Standards are under public review at Planning Commission (4 hearings) and anticipated to be adopted by City Council in Q3 of 2024. All multifamily development will be reviewed for compliance with Objective Design Standards concurrently with Building Permit submission. Section 7.8 narrative and Table A-62 have been revised accordingly.	Appendix A, page A-98 – A-99
	Program HO-2.3.4 (Streamlined Multifamily Approval): The element (p. A-90) acknowledges the conditional use permit (CUP) requirement for multifamily is a constraint on market rate and affordable multifamily development. In response, Program HO-2.3.4 proposes to permit multifamily without discretionary action. However, the Program is limited to qualifying housing development and instead should address the CUP requirements as a constraint for all multifamily development.	Program HO-2.3.4 Zoning Updates for Multifamily Housing Development has been revised to eliminate Conditional Use Permit requirements for all multifamily development in R-3, C-1 and C-2 Zones.	Chapter 2, page 2-7
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.		

HCD COMMENTS - CITY RESPONSE MATRIX

HCD Ltr Item #	HCD Comment	Mt. Shasta Response	On or Near Page #(s)
	Program HO-2.2.1 (Support Affordable Housing): The Program should include proactive outreach to affordable housing developers to identify development opportunities at least every other year.	Program HO-2.2.1 has been modified as recommended.	Chapter 2, page 2-6
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 characteristic		
	Programs to affirmatively further fair housing (AFFH) must include numeric objectives that beneficial impacts for people, households, and neighborhoods.	<p>Mt. Shasta’s Housing Element that was adopted Jan. 8, 2024 includes <u>AFFH Housing Action Plan, Table A-68</u> in <u>Appendix A</u>. The AFFH Housing Action Plan includes columns titled, and content that responds to this comment, “Geographic Targeting” and “2023-2031 Outcomes”. The “2023-2031 Outcomes” describes and specifies the numeric objectives for each AFFH program.</p> <p>Furthermore, Program HO-7.12, in Chapter 2, expressly incorporates the AFFH Housing Action Plan in Appendix A, and commits the City to implementing the AFFH Housing Action Plan. Note: in the Housing Element adopted Jan. 8, 2024, the AFFH Housing Action Plan was Table A-63. Due to other revisions in Appendix A (see discussion under #1 above), it is now Table A-68. This number change does not lessen or diminish the intent of Program HO-7.1.2 to implement the AFFH Housing Action Plan.</p>	The AFFH Housing Action Plan, Table A-68, begins in Appendix A, page A-121 and continues through page A-128.
	Include additional actions to promote housing mobility (more housing choices and affordability throughout the City) and place-based strategies toward community revitalization.	<p>To Program B of the AFFH Housing Action Plan, which is “Improve the Access and Availability Long Term Rental Housing”, the development of a home sharing program in collaboration with other localities has been added. Actions in the Housing Element adopted Jan. 8, 2024 already included:</p> <ul style="list-style-type: none"> •The development of a program to connect lower income households with affordable rental and ownership. •Working with the Shasta County Housing Authorities, et al, to increase the availability of housing vouchers. •Developing toolkits for J/ADUs, SB 9, and SB 10 housing to facility property owner implementation. • Creating an inventory City- and publicly owned land within city limits that is appropriate for residential development. <p>To facility community revitalization, added: Program G, “Increase investment in community amenities” and Program H, Continue Investment for the Future Redevelopment of the Landing.</p>	The AFFH Housing Action Plan, Table A-68, begins in Appendix A, page A-121 and continues through page A-128.