

August 23, 2023

Paul McDougall
Senior Program Manager
Department Of Housing and Community Development
Division of Housing Policy Development
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833

Subject: Adopted 6th Cycle Housing Element and Addenda for Review

Dear Mr. McDougall:

Thank you for the review provided in HCD's March 27, 2023 review letter regarding the City of Walnut Creek's 2023-2031 Housing Element ("Housing Element") adopted on January 24, 2023 and updated on March 21, 2023 via a First Addendum. The March 27 letter provided findings and comments regarding the adopted Housing Element inclusive of the First Addendum, and concluded that the Housing Element will be determined to meet the statutory requirements of State Housing Element Law once it has been revised to substantially comply with items identified in the letter.

Since receipt of HCD's March 27 comment letter, we have greatly appreciated the opportunities to work with HCD throughout the Housing Element process to achieve certification, including receiving HCD's preliminary review comments and feedback during meetings between City staff and consultants and HCD staff on April 24, July 14, and July 21, 2023. **We are now pleased to submit the adopted 2023-2031 Housing Element, inclusive of the First and Second Addenda, for HCD's review and findings.**

The Housing Element was adopted by the City Council on January 24, 2023 via Resolution No. 23-07, which made requisite findings under state law and provided modification authority for City staff to administratively file all materials with HCD, to make non-substantive changes to make the Housing Element internally consistent or to address amendments requested by HCD to achieve certification. Pursuant to such authority, on March 21, 2023 the City Council approved a First Addendum to the Housing Element making certain non-substantive updates via Resolution No. 23-24, and continued to make requisite findings and provide the same administrative modification authority. On August 1, 2023, the City Council approved a Second Addendum via Resolution No. 23-52 to the Housing Element making additional non-substantive updates and requisite findings, and extending the same administrative modification authority.

The Second Addendum contains additional clarifications and enhanced programs to serve the policies and goals previously adopted by the City Council on January 24, 2023. As an overall summary, these clarifications and enhancements include:

- Clarifications regarding suitability and development potentials of parcels included in the Site Inventory;
- Enhanced programs to affirmatively furthering fair housing such as addressing housing mobility and increasing housing choices throughout Walnut Creek, removing barriers to accessible and affordable housing, increasing housing opportunities and public outreach, and further removing governmental constraints; and
- Enhancements to the previously adopted mid-cycle review process to evaluate the City's progress in achieving its Housing Element goals.

The clarifications and enhancements are within the scope of administrative modification authority provided as a part of the adopted Housing Element, and are compiled to address the comments and findings contained in HCD's March 27, 2023 comment letter and the requirements of State Housing Element Law as provided in Government Code section 65580 et seq. These edits are also prepared to provide clear goals, quantified objectives and schedules of action to among other things, affirmatively furthering fair housing, removing governmental and nongovernmental constraints, implementing actions regarding special needs and assisted housing, and meeting the City's Regional Housing Needs Allocation ("RHNA") goals at specific income and affordability levels as provided in the adopted Housing Element programs and policies.

This submittal of adopted Housing Element 2023-2031 consists of the following:

- 1. Redline version of the adopted Housing Element inclusive of the updates made via First and Second Addenda.** *Please be advised that while this document contains the entire Housing Element inclusive of the First and Second Addenda, only edits contained in the Second Addendum and subsequent minor clerical and clarification edits are shown in redline, for ease of reference.*
- 2. Clean version of the adopted Housing Element inclusive of the updates made via First and Second Addenda.** *This is a clean version of the document incorporating all changes described above. All redlines/tracked changes in the Redline version have been accepted.*
- 3. Response to Comments Matrix.** *This document provides a summary of response to HCD comments and relevant page numbers showing where the responsive change was made in the Housing Element document.*
- 4. City Council Resolution No. 23-52 approving the Second Addendum.**
- 5. Updated electronic Site Inventory document.**

Prior to submittal to HCD, the City has provided a seven-day public review period for the Second Addendum which commenced July 25, 2023; notice was sent to all interested parties who

requested notice in writing as required by state law, and such notice and the draft Addendum was posted on the City's website on July 25, 2023 for public review. In addition, the City Council considered the Second Addendum pursuant to a public meeting held on August 1, 2023, at which time it considered the entirety of the reports and record before it, and provided an opportunity for members of the public and all interested parties to be heard. The City also provided a response appendix to the Housing Element setting forth its response to public comments received. In reviewing and considering all public comments received, none of the public comments we received necessitate changes to the Second Addendum or elsewhere in the Housing Element.

Again, we appreciate the opportunity to work in partnership with HCD and the community to develop, adopt, and implement Walnut Creek's 2023-2031 Housing Element. If you have any questions, please contact my office.

Sincerely,


Erika Vandenbrande
Community Development Director
City of Walnut Creek

**CITY OF WALNUT CREEK
RESOLUTION NO. 23-52**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WALNUT CREEK
APPROVING A SECOND ADDENDUM TO THE 2023-2031 WALNUT CREEK
GENERAL PLAN HOUSING ELEMENT**

WHEREAS, the California legislature has found that “California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives.” (Gov. Code Section 65589.5.);

WHEREAS, the legislature has further found that “Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.” (Gov. Code Section 65589.5.);

WHEREAS, the legislature recently adopted the Housing Crisis Act of 2019 (SB 330) which states that “In 2018, California ranked 49th out of the 50 states in housing units per capita... California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years”;

WHEREAS, California Housing Element Law (Government Code section 65580 et seq.) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Walnut Creek (“City”) regional housing need allocation (RHNA) of 5,805 housing units, comprised of 1,657 very-low income units, 954 low-income units, 890 moderate-income units, and 2,304 above moderate-income units;

WHEREAS, under California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3), CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA;

WHEREAS, under CEQA Guidelines Section 15283, CEQA also does not apply to regional housing needs determinations made by the City pursuant to Government Code section 65584;

WHEREAS, the City prepared its 2023-2031 Housing Element in accordance with California Housing Element Law (Government Code section 65580 et seq.);

WHEREAS, the City conducted extensive community outreach over the last twelve months including two online community workshops, two public meetings/hearings before the Planning Commission, two public meetings before the Housing & Community Development Committee and two public meeting/hearings before the City Council;

WHEREAS, as provided in Government Code Sections 65352 – 65352.5, the City mailed a public notice to all California Native American tribes provided by the Native American Heritage Commission and other entities listed and no California Native American tribe requested consultation;

WHEREAS, on September 2, 2022, the City timely submitted the draft Housing Element to the State Department of Housing and Community Development (“HCD”) for its review;

WHEREAS, in November 2022, HCD contacted the City with a number of questions and feedback about the adequacy of the draft Housing Element, and based upon those questions and feedback, City staff clarified information and committed to revise the draft Housing Element to include additional information and data;

WHEREAS, on December 5, 2022 the City received a comment letter from HCD stating that while the draft Housing Element addresses many statutory requirements, revisions will be necessary;

WHEREAS, on January 6, 2023, the City published a revised draft Housing Element with the changes requested by HCD and requested public comment on the draft;

WHEREAS, on January 12, 2023, the Planning Commission held a duly and properly noticed public hearing and recommended that the City Council adopt the Housing Element;

WHEREAS, on January 17, 2023 and January 24, 2023, the City Council conducted a duly and properly noticed public hearing, reviewed the Housing Element and all pertinent maps, documents and exhibits, including HCD’s findings, the City’s response to HCD’s findings, the staff report and all attachments, and oral and written public comments; and determined the Housing Element to be consistent with State law and the General Plan of the City of Walnut Creek;

WHEREAS, on January 24, 2023, the City Council adopted Resolution No. 23-07, to 1) find and determine that the 2023-2031 Walnut Creek Housing Element Update is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) and 15283 of the CEQA Guidelines and Section 65584 of the California Government Code, 2) adopt the 2023-2031 Walnut Creek Housing Element Update, 3) find that the 2023-2031 Walnut Creek Housing Element Update substantially complies with State Housing Element Law, 4) direct the Community Development Director to file all necessary material with HCD for the Department to find that the Housing Element is in conformance with State Housing Element Law, and 5) direct and authorize the Community Development Director to make all non-substantive changes to the Housing Element to make it internally consistent or to address any non-substantive changes or amendments requested by the Department to achieve certification;

WHEREAS, on March 6 and March 8, 2023, City and HCD staff met and discussed certain areas where the adopted Housing Element could be enhanced to achieve certification as a part of HCD's determination process to make findings of substantial compliance on the Housing Element. These areas include: (1) enhanced analysis of and descriptions of base conditions in the City; (2) responding to questions related to specific sites in the Site Inventory; and (3) enhancing programs to affirmatively further fair housing (AFFH) through programs to address housing mobility;

WHEREAS, pursuant to the revision authority provided under Resolution No. 23-07, the City Council adopted Resolution No. 23-24 to approve an Addendum ("First Addendum") to the 2023-2031 Housing Element to address the changes requested by HCD; this Addendum contained additional clarifications and programs to serve the policies and goals previously adopted in the 2023-2031 Housing Element, without impacting or deleting previously adopted policies and goals. The additional clarifications and programs were also responsive to changes requested by HCD pursuant to discussions between the City and HCD; as such, preparation of the Addendum was within the revision authority provided under City Council Resolution No. 23-07 and Resolution No. 23-24 in approving the First Addendum provided the same modification authority as under Resolution No. 23-07;

WHEREAS, on March 27, 2023, HCD issued a letter to the City providing findings and comments regarding the HEU (including the First Addendum), explaining that while the draft Housing Element addresses many statutory requirements, certain items would need to be addressed in order to achieve certification, specifically identifying the need for: (1) a further enhanced analysis of and descriptions of base conditions in the City; (2) further responses to questions related to specific sites in the Site Inventory; and (3) further enhancing programs to affirmatively further fair housing (AFFH) through programs to address housing mobility;

WHEREAS, HCD's letter further explained that the Housing Element will meet the statutory requirements of State Housing Element Law once it has been revised to substantially conform to the foregoing comments;

WHEREAS, since the receipt of the comment letter, the City has met with HCD staff during April – July 2023 to discuss proposed edits intended to address HCD's requested changes and obtain preliminary feedback on those edits;

WHEREAS, pursuant to such preliminary feedback from HCD and the revision authority provided under Resolutions Nos. 23-07 and 23-24, the City prepared a Second Addendum to the 2023-2031 Housing Element (combined and presented together with the First Addendum as the "Consolidated Addendum") to address the changes requested by HCD; this Second Addendum contains additional clarifications and programs to serve the policies and goals previously adopted in the 2023-2031 Housing Element, without impacting or deleting previously adopted policies and goals. The additional clarifications and programs are also responsive to changes requested by HCD pursuant to discussions between the City and HCD; as such, preparation of the Second Addendum is within the revision authority provided under City Council Resolutions Nos. 23-07 and 23-24;

WHEREAS, the City has provided a seven-day public review period for the Second Addendum which commenced July 25, 2023; notice was sent to all interested parties who requested notice in writing as required by state law, and such notice and the draft Consolidated Addendum was posted on the City's website on July 25, 2023 for public review. In addition, the City Council considered the Second Addendum as part of the Consolidated Addendum pursuant to a public meeting held on August 1, 2023, at which time it considered the entirety of the reports and record before it, and provided an opportunity for members of the public and all interested parties to be heard.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby finds that, based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.
2. Based on the entirety of the record before it, the City Council hereby continues to find that the Second Addendum to the 2023-2031 Walnut Creek 2023-2031 Housing Element Update, as shown in **Exhibit A** attached hereto and incorporated herein ("**Second Addendum**"), is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) and 15283 of the CEQA Guidelines and Section 65584 of the California Government Code, as it is a policy document which does not provide entitlements to any specific land use project and does not contain policies that have potential to result in any direct or indirect physical changes to the environment. Any individual development projects would further undergo additional environmental analysis at the time of future entitlements. Thus, it is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. It is also consistent with the statutory intent and provision that CEQA does not apply to regional housing needs determinations made by the City pursuant to Government Code section 65584.
3. The Second Addendum contains additional clarifications and enhanced programs to serve the policies and goals previously adopted in the 2023-2031 Housing Element. These clarifications and enhancements include: clarifications regarding suitability and development potentials of parcels included in the Site Inventory; enhanced programs to affirmatively furthering fair housing such as addressing housing mobility and increasing housing choices throughout Walnut Creek, removing barriers to accessible and affordable housing, increasing housing opportunities and public outreach, and further removing governmental constraints; and enhancements to the previously adopted mid-cycle review process to evaluate the City's progress in achieving its Housing Element goals. The clarifications and enhancements contained in the Second Addendum are consistent with and responsive to the requirements of State Housing Element Law as provided in Government Code section 65580 et seq., including but not limited to Government Code section 65583 ("Housing Element Law"). The 2023-2031 Housing Element and its First and Second Addenda provide clear goals, quantified objectives and schedules of action to,

among other things, affirmatively furthering fair housing, removing governmental and nongovernmental constraints, implementing actions regarding special needs and assisted housing, and meeting the City's Regional Housing Needs Allocation ("RHNA") goals at specific income and affordability levels.

4. Pursuant to Government Code sections 65585 (e) and (f) and Resolution No. 23-07, the City Council previously made specific findings under Exhibit A to Resolution No. 23-07 to determine the 2023-2031 Housing Element is in substantial compliance with State Housing Element Law. The City Council also determined that, based on substantial evidence in the record, including but not limited to high-density development trends, increase in market values, the desire to situate in the Walnut Creek community; factors employed to analyze site conditions and development potentials in selecting opportunity sites, and the City's prior track record in providing high-density affordable housing development, that the existing uses on the non-vacant sites identified in the site inventory to accommodate RHNA are likely to be discontinued during the planning period and therefore do not constitute an impediment to planned residential development on the site during the planning period. The City Council finds that the Second Addendum contains clarifications and analyses that further support findings made under Resolution No. 23-07 and as such, hereby continues to find and determine that existing uses on non-vacant RHNA sites are likely to be discontinued during the planning period and do not constitute an impediment to planned residential development on the site during the planning period.
5. The City Council continues to find that, pursuant to Government section 65585, the 2023-2031 Housing Element and its First and Second Addenda incorporated input from the public and considered the findings, comments, and discussions made by the Department of Housing and Community Development ("HCD") and by and between the City and HCD, inclusive of the most recent discussions between HCD and the City on March 6 and March 8, 2023, and four additional meetings held between April and July 2023.
6. Consequently, the City Council hereby finds that the Second Addendum, as shown in Exhibit A, is determined to be appropriate and responsive to HCD's requested changes and in furtherance of adopted goals and policies in the Housing Element, all within the revision authority established by Resolutions Nos. 23-07 and 23-24. The City Council hereby approves the Second Addendum.
7. The City Council hereby finds that the 2023-2031 Housing Element, inclusive of its First and Second Addenda, continues to be in substantial compliance with State Housing Element Law based on substantial evidence in the record.
8. This Resolution shall become effective upon adoption by the City Council.
9. The Community Development Director or their designee is hereby directed to file all necessary material with the Department of Housing and Community Development for the Department to find that the Housing Element is in conformance with State Housing Element Law and is further directed and authorized to make all non-substantive changes to


the Housing Element to make it internally consistent or to address any non-substantive changes or amendments requested by the Department to achieve certification.

PASSED AND ADOPTED by the City Council of the City of Walnut Creek at a regular meeting thereof held on the 1st day of August 2023 by the following called vote:

AYES: Councilmembers: Darling, Francois, Haskew, Wilk, Mayor Silva


NOES: Councilmembers: None

ABSENT: Councilmembers: None



Cindy Silva
Mayor of the City of Walnut Creek

Attest:



Suzie Martinez, MMC
City Clerk of the City of Walnut Creek

City of Walnut Creek

Response to HCD Comments of March 27, 2023

Prior HCD Finding (3/27/2023)	Sec.#/page # of Redlined Version Showing City Response to Comment	City Response Summary
Affirmatively Furthering Fair Housing		
<p>Affirmatively Furthering Fair Housing (AFFH) and Sites Inventory: As stated in HCD’s previous letter, the element must analyze how the identified sites contribute to or mitigate fair housing issues. An analysis should quantify and evaluate all income categories of the regional housing need allocation (RHNA) with respect to location (e.g., neighborhoods, census tracts, planning areas) and how that affects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). If sites exacerbate conditions or isolates the RHNA by income group, the element should identify further program actions (not limited to the RHNA) that will be taken to promote inclusion in housing choices and affordability throughout the community (e.g., housing mobility, the creation of missing middle housing types and new opportunities in higher resource or income areas).</p>	<p>Appendix B, “Sites Inventory” Section, starts on page B-106</p> <p>See “Equitable Site Placement” subheading for the new narrative, starts on page B-118. Table B-23 is at the end of this section, page B-120.</p>	<p>A new table – Table B-23 Socio-economic Indicators By Census Tract – was provided to analyze the identified housing element sites in relation to RHNA income and TCAC Opportunity categories.</p> <p>A new narrative section titled “Equitable Sites Placement” was prepared to analyze the data presented in Table B-23. Key findings are:</p> <ul style="list-style-type: none"> • The City’s used a multi-layered approach in selecting sites, including reviewing access to local and regional resources, socio-economic indicators, and housing market opportunities. • The percentage of non-white residents, low to moderate income residents, renter cost-burdened residents, and owner cost-burdened residents in these three census tracts is in line with the City as a whole. • None of the City’s census tracts are racially or ethnically concentrated areas. The one outlying data point is the percentage of overcrowded units, which is higher in these three census tracts, indicating a higher demand for housing than elsewhere in the city. • The strategic placement of housing element sites in census tracts 3390.01, 3390.03, and 3390.04 in Walnut Creek effectively addresses fair housing concerns and promotes equity within the City.

<p>Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element should re-assess contributing factors and prioritize those factors then formulate appropriate policies and programs. In addition, lack of missing middle housing is cited as a barrier, specific programs should meaningfully address these barriers</p>	<p>Appendix B, “Table B-24 - AFFH Contributing Factors and Programs” starts on page B-124.</p>	<p>Contributing factors, prioritization of factors, and appropriate policies and programs are organized and discussed in Table B-24 AFFH Contributing Factors and Programs Table. Five categories are provided:</p> <ol style="list-style-type: none"> 1. New Housing Choices and Affordability in Higher Opportunity and Income Areas – High Priority 2. Housing Mobility - High Priority 3. Displacement Protection – Medium Priority 4. Fair Housing Enforcement and Outreach - Low Priority 5. Place-Based Strategies - Low Priority
<p>Programs: As noted above, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. The element included multiple references to single family zoning as well as a lack of missing middle housing as a barrier to fair housing in the City, programs should be modified to address these barriers. 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, metrics, milestones, and geographic targeting and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity and income areas, concentrated areas of affluence and place-based strategies toward community revitalization and displacement protection.</p>	<p>Appendix B. Table B-24 - AFFH Contributing Factors and Programs starts on page B-124.</p> <p>The “Housing Mobility” section of Table-B-24 starts on page B-132.</p> <p>Appendix A Excerpt - Public Comment Response Summary.</p>	<p>Table B-24 AFFH Contributing Factors and Programs, identifies programs from all Housing Element goal areas designed to address the five categories of AFFH issues described above. Column 3 “Geographic Targeting” of Table B-24 has been modified to further address geographic targeting.</p> <p>The Housing Mobility section of Table B-24 includes a suite of new and strengthened programs that go beyond RHNA addressing affordability, density and development standards in order to provide more housing in single-family zoned areas. A specific target has been set to produce 200 units that are not on the RHNA sites inventory in addition to the RHNA unit goals and are located in single-family zones.</p> <p>Public comments have been documented and responded to. Many edits were made to the Housing Plan in response to public comments, as shown in the Public Comment Response Summary.</p>
<p>Sites Inventory, Analysis and Adequate Sites</p>		
<p>Suitability of Nonvacant Sites: The element must demonstrate the potential for redevelopment in the planning period on sites with existing uses, including considering recent experience or trends in redevelopment and evaluating the extent existing uses impede additional development. This analysis should address all sites, not just sites identified to accommodate the lower-income RHNA. The element includes some information on recent trends and generally discusses identified sites have existing uses similar to recent trends but should include supporting analysis and additional information to demonstrate the potential for redevelopment, as follows:</p>		
<p><i>Indicators of Redevelopment Potential:</i> The element appears to utilize improvement to land value ratio, existing versus</p>	<p>Chapter 7 – Sites Inventory</p>	<p>Edits were made to Chapter 7 – Sites Inventory related to the suitability of nonvacant sites as follows:</p>

<p>allowable floor area, property owner interest and building age as indicators of redevelopment potential. However, the element should list the value of all of these indicators for identified sites. This analysis should address sites identified to accommodate all income categories of the RHNA. In addition, the element mentions Table 7-12 as supporting information but should also list the value of the indicators in Table 7-12 and demonstrate how recent trends relate to identified sites.</p>	<p>Section 7.3.5 starting on page 7-13 contains the narrative. Table 7-8 is at the end of this section, starting on page 7-14.</p> <p>Section 7.5.1 includes Table 7-13 on page7-58.</p> <p>Section 7.10 Development Trends and Market Conditions starts on page7-90.</p> <p>Table 7-18 starts on page 7-77.</p> <p>7.3.5.1 Site Profiles starts on page 7-29.</p>	<p>7.3.5 Determination of Suitability Methodology This section describes the development characteristics to determine the viability of a site: Area (size of site), Building Age, Proximity to Transit, Proximity to New High-Density Development, Improvement to Land Value Ratio, Floor Area Ratio (FAR), Existing Use Similar to Recent Redevelopment Projects, and For Lease or For Sale. <i>Sites that exhibit three or more of these characteristics were selected as prime candidates for redevelopment. In addition, if a site was vacant, utilized as a parking lot, or has a proposed project in the pipeline, it is given strong consideration for redevelopment.</i> These conditions indicate existing or planned changes in land use, making the site favorable for revitalization. Table 7-8 contains an analysis of site characteristics for all sites.</p> <p>In order to determine the appropriate measures for each characteristic, the City analyzed recent, local developments, as well as recent developments in the region.</p> <p>7.5.1 5th Cycle Housing Production and Density Table 7-13 (previously 7-12) now includes “Previous Land Use” and “Previous FAR” columns to draw parallels between Walnut Creek and regional trends.</p> <p>7.10 Development Trends and Market Conditions This section contains city and regional market information for both retail (Section 7.10.1) and office (7.10.2). While the sections are not new, the City added a significant amount of analysis that supports the site suitability analysis.</p> <p>Section 7.10.3 was added to show regional trends of commercial to residential conversions. This section also includes a new Table 7-18 Recent Commercial to Residential Conversions - Region. As evidenced by the data presented in this section, there is a clear nexus between the redevelopment of commercial properties to residential, changes in the economy (including the retail</p>
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		and office markets), and the likelihood that the sites in the Sites Inventory will redevelop. Specifically, Error! Reference source not found. and Error! Reference source not found. provide evidence of the trends summarized in Section 7.10 , including changes in demand for retail and office uses after the COVID-19 pandemic.
<i>Extent Existing Uses Impede Additional Development:</i> As part of this review, HCD received several comments related to the potential for redevelopment and the extent existing uses impede additional development. While the element includes some generic descriptions to address comments, these descriptions still do not address the extent existing uses impede additional development. For example, for Sites 35 to 44, the element now mentions the sites are near a recent redevelopment but should still evaluate the extent existing uses impede additional development. Also, in several cases, the element generally states the property owner requested the site to be in the inventory or did not object to the property being included in the inventory but should either demonstrate the property owner or developer is affirmatively interested in redevelopment in the planning period or utilize other methods to demonstrate the potential for redevelopment.	7.3.5.1 Site Profiles starts on page 7-29.	As part of the evaluation process, the City developed "Site Profiles" for sites that did not meet the threshold of three or more characteristics. This elaborated analysis provides additional clarification and support to address how existing uses would not impede additional development. 7.3.5.1 Site Profiles This section includes profiles for any sites that were questioned by HCD or members of the public or did not meet three of the characteristics identified in our methodology. The profiles provide a detailed explanation of the rationale utilized to choose the remaining sites.
Suitability of Nonvacant Sites (Cont.): 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 findings, any changes to the analysis should be reflected in future re-adoption of the element, if necessary.	Section 7.12 -Summary, starts on page 7-106.	The revised Sites Inventory shows that the City has adequate suitable sites, including buffers to meet RHNA goals. To provide a higher level of assurance that the City's sites are adequate, and to demonstrate its commitment to adding additional housing types in single-family zones, a new Program H-6.K Mid-Cycle Review has been added to examine progress and take additional action if needed.
Suitability of Nonvacant Sites (Cont.): Finally, 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.	Section 7.12 -Summary, starts on page 7-106	See above response
Governmental Constraints		
Land Use Controls: The element now includes some information regarding heights and parking requirements; however, the analysis should still address floor area ratios, setbacks and height limits of three stories or less in zones or areas that are intended	Section 3.3.3 starts on page 3-20.	Analysis of development standards inclusive of the ones listed by HCD is included in Section 3.3.3 of the adopted Housing Element.

<p>for higher densities (e.g., 30 units per acre or more). Based on the outcomes of this analysis, the element should add or modify programs to address identified constraints.</p>	<p>Section 3.3.3.8 starts on page 3-38.</p> <p>Programs are described in Chapter 8- Housing Plan by goal area.</p> <p>Program H.3.H starts on page 8-17.</p> <p>Goal H-4 programs start on page 8-20.</p> <p>Program H-6.J starts on page 8-30.</p>	<p>Additionally, Section 3.3.3.8 of the adopted Housing Element addresses the Cumulative Impacts of Development Standards. New and modified programs to address constraints are listed below. The full text of Program H-4.K is provided as it directly responds to comments regarding zoning constraints.</p> <p>H-3.H. Housing Opportunities includes amending the Zoning Ordinance to reduce constraints for special needs housing.</p> <p>H-4.B. Reduce Parking Requirements is to complete the parking study and amend the Zoning Ordinance to reduce parking standards.</p> <p>H-4.I. Planned Development Permits is to amend the Zoning Ordinance to remove certain Planned Development Permit requirements.</p> <p>H-6.J. Housing Mobility is to implement a suite of actions to improve housing mobility and affordability within single-family zones and in concentrated areas of affluence.</p> <p>H-4.K Building Envelope Analysis Conduct a building envelope analysis needs assessment to determine the maximum amount of residential development capacity on individual parcels citywide and understand the gap between existing and maximum capacity. Will include analysis of:</p> <ol style="list-style-type: none"> 1. Existing Building Heights 2. Existing Building Footprints 3. Existing Number of Residential Units 4. Maximum Allowable Building Heights 5. Setback Standards 6. Maximum Lot Coverage 7. Maximum Floor Area Ratio 8. Allowable General Plan Land Use density range <p>This includes reviewing development regulations in specific plan areas. If study results show that existing zoning standards are a constraint to achieving General Plan densities, the City will prepare and</p>
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		<p>implement Zoning Ordinance amendments to address the identified constraints.</p> <p>Schedule of Action: Fall of 2026</p>
<p>Land Use Controls (Cont.): In addition, the element now includes programs to address identified constraints, but the programs should be revised, as follows:</p>		
<p>Program H-2.W (Increase Housing Choices within Residential Areas): The Program should commit to go beyond “consider and amendment” and include a specific commitment to adopt or revise height requirements and ensure the new limits encourage achieving maximum densities.</p>	<p>Programs are described in Chapter 8- Housing Plan by goal area.</p> <p>Program H-2.U starts on page 8-13.</p> <p>Program H-4.J is on page 8-22.</p> <p>Program H-4.K starts on page 8-22.</p> <p>Program H-6.J.6 is on page 8-31.</p>	<p>With Addendum 1, the numbering was corrected to H-2.U Housing Choices and Action #5 of the program was revised to include this commitment to state:</p> <p>Increase heights in multi-family residential districts to the maximum height authorized under Measure A to increase the potential for density, as stated in Program H-6.J.6.</p> <p>Schedule of Action: Fall of 2027 and ongoing</p> <p>Additional programs addressing heights include: H-4.K, H-4.J, and H-6.J.6.</p>
<p>Program H-4.B (Reduced Parking): The Program commits to reduce parking requirements to the levels deemed feasible by a study but should also either commit to a minimum reduction or to reducing parking requirements to a specified level (City-wide) such as AB 2097 and commit to ensure no constraints on development. The Program should also include an alternative action if appropriate measures are not adopted.</p>	<p>Program H-4.B is on page 8-20.</p>	<p>Program H-4.B makes this commitment and now states:</p> <p>H-4.B. Reduce Parking Requirements</p> <p>The City shall complete the parking study currently underway and use the findings as a basis to amend the Zoning Ordinance to reduce minimum parking requirements for multifamily and mixed-use projects. The amendments will meet the requirements of AB 2097 (2022) and achieve further adjustments in other areas based on study results to ensure that parking requirements do not constrain a housing development including but not limited to development costs that arise from excessive parking requirements and from achieving the maximum allowed density.</p> <p>Schedule of Action:</p> <ul style="list-style-type: none"> • Complete the parking study currently underway to support ordinance amendments by Fall of 2023. • Adopt Zoning Ordinance amendments by Fall of 2024.

<p>Program H-4.D (Measure A Review): The Program commits to consider a ballot measure to revise heights if the City is not on schedule to produce new housing. However, the Program should also commit to pursue a ballot measure if heights are found to be constraint on development.</p>	<p>Program H-4.J is on page 8-22.</p>	<p>Program H-4.J makes this commitment as stated below :</p> <p>Program H-4.J Measure A Outreach and Review.</p> <p>As explained in Section 3.3.3.7 of the Housing Element, Measure A does not create a constraint to housing development because the height limit generally aligns with commercially and structurally feasible heights for multifamily projects. The height limits under Measure A fosters developments at heights ranging from 50 to 89 feet (54 to 93 feet with pitched roofs), while the single-family and “missing middle” density areas within the rest of the City have Measure A height limits ranging from 25 to 30 feet (29 to 34 feet with pitched roofs). Furthermore, these Measure A height limits have been exceeded through the use of waivers and concessions for density bonus projects. Although Measure A does not constitute or present a constraint on housing development, the City will conduct an education and public outreach and receive public comments on potential impacts of Measure A as a potential constraint on development and on the City’s ability to provide new housing consistent with the new housing units identified in the Housing Element. If the City is not on schedule to produce the new housing units or has identified heights limitations to be an additional constraint on housing production, and assuming available funding for election costs, staff will prepare for City Council consideration and action a ballot measure amending Measure A Height limits for properties that allow multi-family development under the General Plan to allow for additional residential units or pursue and implement other strategies as appropriate to address identified constraints. See also Program H-2.U.</p> <p>Schedule of Action: Fall of 2027 for housing production review and end of 2028 for action of potential next steps.</p>
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<p>Processing and Permit Procedures: The element lists approval findings for design review and mentions streamlining and objective design standards are available for projects consistent with SB 35 and SB 330. However, the element should evaluate the findings for all projects, not just those seeking streamlining. The evaluation should address approval findings for impacts on housing supply (number of units), cost, approval certainty, timing and feasibility.</p>	<p>Chapter 3, Section 3.3.6. starts on page 3-49.</p> <p>Section 3.3.6.2 starts on page 3-55.</p> <p>Program H-4.J is on page 8-22.</p>	<p>Narrative text has been revised to provide additional explanation about findings requirements for all types of projects. Specifically, Section 3.3.6 now states:</p> <p>To provide clarity, in summary this Section 3.3.6 describes approval findings for all development projects, including those projects that qualify for a streamlined review process and those that undergo the standard discretionary review process. Specifically, the City’s discretionary design review approval process applies to all new construction with the exception of certain ministerial projects including ADUs and SB 9 units, as well as single-family dwellings. Standard design review approval findings include considerations for general standards of orderly development and promotion of good design and development in the best interests of the public health, safety, and welfare, as more specifically outlined in Subsection 3.3.6.3. In addition, findings for CUPs and PDs include considerations for consistency with the General Plan and compatibility with site conditions and environment, as outlined in Subsections 3.3.6.1 and 3.3.6.2.</p> <p>However, with respect to housing development projects that are subject to the provisions of the Housing Accountability Act/SB 330 and SB 35, the City has utilized alternate review processes, where the former is reviewed under staff/administrative/objective design review against objective design standards, and the latter is reviewed against an SB 35 checklist. Neither procedure would require the adoption of findings and approvals are based on compliance with objective standards; the foregoing discretionary findings would not apply to the objective/streamlined review processes. Finally, the City is currently undertaking additional steps to review and align its design review process to ensure compliance with state law and with mandatory ministerial or streamline review processes. The City does not otherwise impose additional approval</p>
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		<p>findings for housing development projects outside of the foregoing review and approval procedures.</p> <p>New text at the beginning of Section 3.3.6.2 states: This section further describes the number of high density residential and mixed-use developments in the City and the average units per acre, all exceeding the permitted density. As illustrated in Table 3-16, the City’s planning entitlement through building permit issuance process contain a limited number of permit types; entitlements and review time periods are further reduced for projects qualifying for streamlined or administrative review, as illustrated in Tables 3-14 and 3-15. Overall, the time periods for processing residential development applications in the City are relatively short and the costs are relatively low when compared to other jurisdictions as illustrated in subsection 3.3.5.3.</p> <p>To address potential constraints regarding discretionary permit findings, Program H.4.I now states:</p> <p>Program H-4.I. Planned Development Permits</p> <p>The City shall amend the Zoning Ordinance to remove the requirement for a separate Planned Development Permit (PDP) in the M-U and M-H-D zones for residential development, subject only to the Objective Design Standards design review process. As a part of carrying out such zoning amendment, the City will also evaluate and amend as necessary discretionary CUP, PDP and Design Review findings used for residential developments that do not otherwise qualify for streamlined or ministerial review to address potential impacts on housing supply, cost, approval certainty, timing and feasibility.</p> <p>Schedule of Action: Fall of 2025</p>
<p>Processing and Permit Procedures (Cont.): In addition, the element discusses the City follows streamlining requirements for SB 330 and 35 but should still address compliance with the</p>	<p>Chapter 3 – Constraints Section 3.3.6.4, starts on page 3-59.</p>	<p>Addition/edits inserted as the fourth paragraph of Section 3.3.6.4 further discuss City’s compliance with CEQA and Permit Streamlining Act timelines as follows:</p>

<p>Permit Streamlining Act related to intersections with CEQA and timing requirements for streamlining determinations. Please see HCD's review for additional information.</p>		<p>Consistent with CEQA statutes and in conjunction with its review of project applications, the City timely evaluates whether a project is exempt from CEQA, requires an environmental impact report, or another form of environmental analysis, within 30 days of the application being determined complete. Further, the City's project approval process does not create an additional layer of environmental approval or require separate hearings by the decision-making body to make a CEQA determination before the project is considered on the merits. Rather, the decision-making body considers the staff recommendation, reviews any environmental documents prepared, provides opportunities for public input and receives public comments on CEQA and project considerations, and makes CEQA findings along with its decision on the project. The City's review process thus does not prolong or delay project review and decision contingent upon environmental review, and is compliant with both the Permit Streamlining Act to timely approve projects and CEQA requirements to consider public comments and exercise independent judgment and analysis on potential environmental impacts.</p> <p>In addition, the City will further evaluate findings required for discretionary review processes including PDP, CUP and Design Review, and amend same, if needed to address impacts on housing, as a part of a revised Program H-4.I, as shown above.</p>
<p>Processing and Permit Procedures (Cont.): Finally, depending upon the results of a complete analysis, the element should revise or add programs to address and remove or mitigate any identified constraints.</p>	<p>Programs are described in Chapter 8- Housing Plan by goal area.</p> <p>Goal H-2 programs start on page 8-7.</p> <p>Goal H-3 programs start on page 8-16.</p>	<p>Responsive programs pertaining to permit procedures include:</p> <ul style="list-style-type: none"> • H-2.M • H-2.N • H-2.O • H-2.Q • H-3.H • H-4.A • H-4.C • H.4.D

	Goal H-4 programs start on page 8-20.	<ul style="list-style-type: none"> H-4.I
Housing for Persons with Disabilities: As noted in the prior review, the element should add or modify programs to address constraints on group homes for seven or more persons and permit these uses similar to other residential uses in all residential zones. In response, Program H-3.F (Housing Opportunities) commits to “consider amendments” for group homes between seven and twelve persons subject only to objective standards in designated residential zones. Instead, the Program should commit to (1) go beyond “consider” and adopt or complete amendments, (2) remove person limits, (3) ensure zoning and permit procedures are objective and facilitate approval certainty similar to other residential uses of the same form (including parking requirements) and (4) permit the uses in all zones allowing residential uses.	Program H-3.H starts on p. 8-17.	<p>Re-numbered to Program H-3.H. Action #1 of this program now states:</p> <p>Program H-3.H. Housing Opportunities</p> <p>To increase housing opportunities for identified groups, such as persons with disabilities, unhoused persons, extremely low-income households, seniors, and local critical workforce, the City will:</p> <ol style="list-style-type: none"> Amend the Zoning Ordinance to allow as a permitted use residential care facilities for 7 or more persons subject only to objective standards in all zones allowing residential uses similar to other residential uses of the same type in the same zone. Schedule of Action: Fall of 2025.
Housing Programs: Accessory Dwelling Units		
Program H-1.B (Encourage and Incentivize Accessory Dwelling Units (ADU)): The element now commits to monitor the production and affordability of ADUs, take action if assumption in the inventory are not met and report on production annually. However, as noted in the prior review, the Program should still specifically commit to monitor the production and affordability of ADUs every two to three years (e.g., three times in the planning period) and take action (e.g., additional incentives, rezoning) within a specified time (e.g., six months). In addition, the Program should clarify which actions will be considered based on the outcomes of monitoring (e.g., rezoning or additional incentives).	Program H-1.A is on page 8-3.	<p>Renumbered to H-1.A, program edits are responsive to comments including adding a menu of alternative actions. The actions now state:</p> <p>H-1.A. Encourage and Monitor Accessory Dwelling Units (ADUs)</p> <ol style="list-style-type: none"> Adopt pre-approved ADU designs and permit-ready construction plans. Schedule of Action: End of 2023. Encourage the development of ADUs by developing and distributing educational materials that inform property owners of the standards for ADU development, permitting procedures, and the importance of ADUs. City staff will distribute these promotional materials and flyers by making them available at the Planning Counter, publishing them on the City’s website, and providing information in the City’s newsletter that is mailed to all residents. Encourage regional partners to pursue a regional ADU incentive program. If pursued, participate in program development and implementation.

		<ol style="list-style-type: none"> 4. Develop an ADU Monitoring Program to collect data from project applicants during the building permit application process in order to enhance existing tracking of ADU production with more details such as occupancy status and rent levels at time of occupancy. Utilize the data collected from the Monitoring Program to better understand the income groups they serve and inform future improvements to the outreach and educational efforts. Assess the production and affordability of ADUs in comparison to the estimates in the Sites Inventory as a part of the Mid-Cycle Review (see Program H-6.K). 5. If the assumptions in the Housing Element Sites Inventory are not met, the City shall take alternative actions (e.g., outreach, technical assistance, development standard modifications, incentives, funding and rezoning) depending on the needs identified through the ADU Monitoring Program. Schedule of Action - December 2028. 6. In accordance with AB 671, the City shall research the feasibility of reducing or waiving building permit fees for property owners who take advantage of the new program, and research grant funds to help fund ADUs.
Other Revisions		
Program H-6.K – Mid-Cycle Review	Program H-6.K is on page 8-31.	<p>Program H-6.K was added with the First Addendum to increase accountability. It now states:</p> <p>Program H-6.K- Mid-Cycle Review. Conduct a mid-cycle review program to examine progress of housing units production for lower, moderate, above-moderate income housing and special needs housing, and evaluate status, schedule and timing of accomplishing some or all of the actions stated above. If unit production is not achieving anticipated progress identified in program</p>

		<p>goals, programs are ineffective or constraints are identified, the City shall take action to develop alternative strategies, including amending development standards and initiating a rezoning program to identify additional sites as necessary to achieve the anticipated progress.</p> <p>Schedule of Action: Conduct review by December 2027. Adopt alternative strategies as needed by December 2028.</p>
Other		
Public comments	Appendix A Excerpt – Public Comment Response Summary.	A record of public comments has been maintained. The Public Comment Response summary has been updated including public comments received related to the August 1, 2023, City Council meeting. Additionally, the City provided robust public comment and participation opportunities including publication for review, consideration by the City Council at public meetings, and requisite seven-day or longer public comment periods prior to submitting to HCD.
Document availability		E-mail notifications of document availability were sent. The document was posted for a seven-day public review periods before the City Council adoption hearing and subsequent addendum approval meetings. Adopted redline and clean copies of the adopted Housing Element inclusive of addenda are posted on the City’s website.
Rezone timing		Not applicable to the City
50% nonvacant resolution		Finding was made by the City Council in adopting the Housing Element and approving a First Addendum, and continues to be included in the City Council resolution approving the Second Addendum.
Electronic sites inventory		Resubmitted on August 24, 2023
AB 2339	Program H-4.C starts on page 8-20.	<p>Program H-4.C was edited to proactively address AB 2339. The program now states:</p> <p>H-4.C. Special Needs Zoning The City will review and update the Zoning Ordinance and related policies pertaining to emergency shelters,</p>

		<p>Low-Barrier Navigation Centers (LBNCs), transitional and supportive housing, and group care facilities to conform to State requirements, as established by AB 101 (2019), AB 139 (2019) and AB 2162 (2019), and AB 2339 (2022). Generally, this update would allow these land uses in the City’s multi-family residential zones and/or mixed use or commercial zones, and with fewer conditions. Specifically, the Zoning Ordinance would be amended to modify parking requirements for emergency shelters to be limited to staff working at the facility, to allow LBNCs in mixed use zones and commercial zones which permit multi-family development, and to allow permanent supportive housing in all zones where multi-family development is permitted. Amendments to implement the Housing Accountability Act (HAA) would codify existing local practices that comply with state law. In addition, the City shall codify the related Housing Crisis Act (Senate Bill 330) process, which limits a jurisdiction’s ability to reduce or delay the development of new housing. Consistent with Government Code section 65583 as amended by AB 2339, the City will amend the definition of “emergency shelters” to align with statutory definitions, identify zoning districts where residential and/or mixed uses are allowed to also allow emergency shelters as a permitted use without a conditional use permit or other discretionary permit, craft objective standards consistent with Government Code section 65583(a)(4) and related applicable state law, and continue to ensure adequacy of sites to accommodate the need for emergency shelters. Schedule of Action: End of 2024.</p>
Overlay Zones		Related information noted for City reference.