

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

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September 27, 2022

Peter Imhof, Director
Planning and Environmental Review
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

Dear Peter Imhof :

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

Thank you for submitting the City of Goleta's draft housing element update received for review on June 30, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on August 19, 2022 with yourself, Anne Wells, Andy Newkirk, and planning consultant, John Douglas. In addition, HCD considered public comments from Edward Siegel pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; 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.

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.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (February 15, 2023), 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.

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 of Goleta in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Tristan Lanza, of our staff, at tristan.lanza@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF GOLETA

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. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

The element (p. 10A-55 and Table 10A-24) mentions some recent housing approvals and the creation of a housing division as well as completion of zoning amendments to facilitate a variety of housing types. However, the element must still evaluate whether programs have been effective in addressing housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers, and persons experiencing homelessness). For example, the element could discuss if recent approvals have resulted in housing for special needs populations or whether the new housing division makes a focused effort on special needs populations. The element could also discuss whether zoning amendments led to the creation of housing for special needs populations or could discuss that focused efforts were not made, programs were not effective or the magnitude of the remaining need. Based on the outcomes of this evaluation, the element should add or modify programs.

B. 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).)*

Assessment of Fair Housing: In many cases, the element reports information from various maps but must also evaluate that information to better formulate policies and programs. An evaluation will discuss patterns, trends and integrate local knowledge and data and other relevant factors (See below for more information). For example, the element reports higher concentrations of lower- and moderate-income households in

the northern part of the County and central and eastern portions of the City but then provides no evaluation of the pattern or trends. For example, the element could discuss the lack of affordability and housing choices in the southern portions of the County or historical land use practices, including coordination with the County and University. The element should provide analysis of the data for all components of the assessment of fair housing (e.g., segregation and integration, disparities in access to opportunity) and could summarize fair housing issues using common themes across the components of the assessment of fair housing.

Enforcement and Outreach: The element must address compliance with existing state and federal fair housing laws as well as any past or current fair housing lawsuits, findings, settlements, judgements, or complaints. For more information, please see HCD's Guidance Memo (p. 28).

Concentrated Areas of Affluence: While the element briefly notes disparities in incomes when comparing Goleta and the County, it should also discuss patterns within the City. To address this requirement, the City may utilize new data available on HCD's Affirmatively Furthering Fair Housing (AFFH) Data viewer at <https://www.hcd.ca.gov/affirmatively-furthering-fair-housing>.

Disproportionate Housing Needs and Displacement Risk: The element includes some local and county data on cost burdened households (overpayment) and overcrowding. However, the element must discuss persons experiencing homelessness, including any patterns relative to access to opportunities and disproportionate impacts on protected characteristic. In addition, the element briefly and generically mentions displacement but must still provide data, analysis, and conclusions.

Site Inventory: The element includes a brief statement that all sites are in higher resource areas (The whole City is higher resource) but must quantify and discuss the identified sites by area and income group then evaluate the impacts on the patterns across all components of the assessment of fair housing, especially income, areas of affluence, overpayment and displacement risk. HCD will send samples under separate cover.

Local Data and Knowledge, and Other Relevant Factors: The element does not address this requirement. The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers. Also, the element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends.

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

Goals, Priorities, Metrics, and Milestones: The element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. 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, geographic targeting, metrics or numeric targets and milestones as appropriate and must, as appropriate, address housing mobility enhancement, new housing choices and affordability in higher opportunity areas, place-based strategies for community preservation and revitalization and displacement risk.

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).)*

Extremely Low-Income Housing: While the element quantifies existing and projected extremely low-income (ELI) households, it must also analyze their housing needs. The analysis of ELI housing needs should consider tenure and rates of overpayment. To assist the analysis, see a sample analysis at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

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).)*

Parcel Listing: The element lists parcels by various factors such as size, zoning, general plan designation and existing use. However, the description of existing use is generic and must include sufficient detail to facilitate an analysis of the potential for additional development on nonvacant(underutilized) sites. For more information, see the HCD's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Realistic Capacity: The calculation of residential capacity must account for the likelihood of residential development in zoning where 100 percent nonresidential uses are allowed. The analysis should be based on factors such as development trends including nonresidential, performance standards requiring residential uses or other relevant factors such as enhanced policies and programs. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly.

Small and Large Sites: The element (pgs. Table 10A-28 and Table 10A-30) lists small and large sites. However, sites larger than ten acres in size or smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to

accommodate housing for lower-income households. While the element (Table 10A-29) includes a few examples of recent multifamily developments with densities, it should discuss affordability and relate these examples to the sites identified to accommodate the regional housing need allocation (RHNA) for lower-income households to demonstrate that these sites can adequately accommodate the City's lower-income housing need. The element may also remove small and large sites being utilized toward the lower-income RHNA. Based on a complete analysis, the City should add or modify programs to include incentives for facilitating development affordable to lower-income households on small and large sites.

Sites Identified in Prior Planning Periods: While Table 10A-28 identifies sites used in prior planning periods, Table 10A-30 (Underutilized Sites) must also 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 toward the lower-income RHNA. For more information on program requirements, please see the Department's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Environmental Constraints: While the element generally describes a few environmental conditions within the City, it must describe how these conditions relate to identified sites including any other known constraints that could impact housing development in the planning period. For additional information and sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#environmental>.

Nonvacant Sites: The element must include an analysis demonstrating the potential for additional development on nonvacant sites. While the element discusses that nonvacant sites were identified based on staff knowledge such as long-term vacancies and expressed interest from property owners, it does not discernably relate this information to identified sites. To address this requirement, the element should analyze the extent that existing uses may impede additional residential development, past experiences converting existing uses to higher density residential development, market demand for the existing use, existing leases or contracts that would perpetuate the existing use or prevent additional residential development. The element could also consider indicators such as age and condition of the existing structure existing versus allowable floor area, low improvement to land value ratio, and other relevant factors.

In addition, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, § 65583.2, subd. (g)(2)). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Water Sewer Priority: Local governments are required to immediately deliver the housing element to water and sewer service providers and, if applicable, establish written procedures to grant priority to developments with units affordable to lower-income households. The element should discuss compliance with these requirements and if necessary, add or modify programs to establish a written procedure by a date early in the planning period. For additional information and sample cover memo, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/priority-for-water-sewer.shtml>.

Zoning for a Variety of Housing Types:

- *Employee Housing*: The element contains some information on employee housing. However, the element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs. Specifically, section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone.
 - *Emergency Shelters*: While the element contains information on the development standards of emergency shelters across various zones, the element should clarify shelters are permitted without discretionary action and discuss typical parcel sizes.
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).)*

Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address all development standards such as parking, heights, lot coverage and limits on allowable densities. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints.

Inclusionary Requirements: The element must describe and analyze the inclusionary housing requirements and their impacts as potential constraints on the development of housing for all income levels, specifically on housing supply and affordability. The analysis must evaluate the inclusionary policy's implementation framework, including levels of mandated affordability and the types of options and incentives offered to encourage and facilitate compliance with the inclusionary requirements. The City could engage the development community to facilitate this analysis.

Zoning and Fees Transparency: The element should clarify compliance with new transparency requirements for posting fees and all zoning and development standards for each parcel on the jurisdiction's website.

Fees: While the element evaluates total fees for a typical single family and multifamily development, it must also list and evaluate planning and permit fees (e.g., general plan amendments, rezone, conditional use permit, variance).

Processing and Permit Procedures: While the element includes information about processing times, it should also describe the procedures for a typical single family and multifamily development. The analysis should address the approval body, the number of public hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing cost, supply, timing and approval certainty. For example, the element should identify and analyze approval findings for impacts on approval certainty, the presence of processes or guidelines to promote certainty and add or modify programs as appropriate.

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and 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).)*

The element must analyze potential nongovernmental constraints, including availability of financing, the price of land, the cost of construction and the 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 jurisdiction's ability to accommodate RHNA by income category and include programs as appropriate.

6. *Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

Analysis of Special Needs Population: While the element quantifies the City's special needs populations, it must also analyze their special housing needs. For a complete analysis of each population group, the element should discuss challenges faced by the population, the existing resources to meet those needs (availability senior housing units, # of large units, # of deed restricted units, etc.), an assessment of any gaps in resources, and proposed policies, programs, and funding to help address those gaps.

C. 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... (Gov. Code, § 65583, subd. (c).)*

Beneficial Impact and Timing: Programs must demonstrate that they will have a beneficial impact within the planning period. Beneficial impact means specific commitment to deliverables, measurable metrics or objectives and definitive timelines. Deliverables should occur early in the planning period to ensure actual housing outcomes. Programs that should be revised with discrete timing include:

- Program 1.4 (Preserve Mobile Home Parks and Facilitate Mobile Home Park Ownership Opportunities)
- Program 2.2 (Linkage of Housing and Jobs)
- Program 2.4 (Facilitate Affordable Housing Development)
- Program 2.6 (Encourage Accessory Dwelling Units)

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, mobile homes, 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 B3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

Program HE 5.2 (Community and Regional Collaboration): The Program should include specific commitment and discrete timing beyond coordination to seek additional water resources in the planning period.

Program HE 3.2 (Housing for Special Needs): The Program should include actions beyond “review” and specifically commit to amend zoning to ensure permanent supportive housing by-right (AB 2162).

Program HE 2.1 (Diverse Range of New Housing): The Program should commit to revise ordinances or procedures for replacement requirements by a specified date.

Previously Identified Nonvacant and Vacant Sites: If utilizing nonvacant sites identified in prior planning periods toward the lower-income RHNA, the element must include a program to rezone within one or three years of the beginning of the planning period to allow residential use at appropriate densities and by right for housing developments in which at least 20 percent of the units are affordable to lower income households.

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 HE 2.4 (Facilitate Affordable Housing Development): The Program should specifically commit to facilitate development for lower-income households, including extremely low-income and all special needs households. In addition, the Program should commit to:

- a specified date for updating the density bonus ordinance (e.g., within 1 year);
- proactive outreach with developers of affordable housing at least annually to identify opportunities for development;
- fund or assist with funding on a regular basis (e.g., at least annually and ongoing); and
- other actions such as priority processing, incentives beyond density bonus law.

Program HE 2.7 (Funding for Affordable Housing): The Program should commit to discrete timing and action beyond auditing and developing plans.

Program 3.2 (Housing for Persons with Special Needs): The Program should commit to discrete timing (e.g., at least annually) for actions related to assisting in the development of special needs housing.

4. *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 B4 and B5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

In addition, Program HE 2.3 (Housing Design Principles) must include action beyond reviewing parking standards and specifically commit to reduce parking requirements.

5. *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).)*

As noted in Finding B1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis.

6. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a)... (Gov. Code, § 65583, subd. (c)(6).)*

Program HE 1.3 (Preserve Assisted Housing): The Program should be modified to assist tenants with education and support as appropriate

7. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

Program 2.6 (Encourage Accessory Dwelling Units (ADU)) should commit to when the City will establish incentives for ADUs. In addition, the Program should monitor permitted ADUs and affordability every other year and take appropriate action such as adjusting assumptions or rezoning within a specified time (e.g., 6 months) if assumptions are not realized.

D. Quantified Objectives

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, rehabilitation and conservation by income group, it could consider quantified objectives for conservation (beyond at-risk preservation). For your information, the quantified objectives do not represent a ceiling, but rather set a target goal for the City to achieve, based on needs, resources, and constraints.

E. Consistency with General Plan

The Housing Element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)

As part of the housing element update, the City should review the general plan to ensure internal consistency and discuss how internal consistency has been achieved and will be maintained throughout the planning period.