

Summary of HCD Comments in 3/20/23 Letter and Proposed City Responses (dated 8/18/23)

<p style="text-align: center;"><b>HCD Comment (Letter of 3/20/2023)</b></p>	<p style="text-align: center;"><b>City Response</b></p>	<p style="text-align: center;"><b>Revised Adopted Housing Element Page Reference</b></p>
<p><u>Realistic Capacity</u>: The element generally was not revised to address this finding. The calculation of residential capacity must account for the likelihood of residential development in zoning where 100 percent nonresidential uses are allowed. 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. Please see HCD’s prior review for additional information.</p>	<p>Additional regional examples of mixed-use redevelopment included and additional examples of property owner interest in residential development added.</p> <p>Additional subprograms added to further support mixed-use housing. These include a reduction of the open space requirement for mixed-use projects, increasing allowed density in the CC zone district from 12 units per acre to 20 units per acre and increasing the height standard in C-OT from 30 feet to 35 feet, and removing the development plan requirement for certain mixed-use projects.</p> <p>The revised Housing Element is presenting a completely different strategy for meeting the lower income RHNA. Additional properties (mostly vacant sites) are proposed to be rezoned to residential uses. Mixed use properties are used to meet primarily the moderate and above moderate income.</p>	<p>Technical Appendix p. 10A-89</p> <p>Housing Plan p. 10-12–13</p>

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<p><u>Environmental Constraints</u>: The element now discusses how environmental constraints relate to identified sites. However, the element should still discuss any other known constraints or conditions that preclude development in the planning period. Examples include parcel shape, easements, contamination, voter initiatives, coastal or other environmental policies and airport compatibility.</p>	<p>Additional discussion added to the analysis of the Technical Appendix.</p> <p><i>By Topic Area</i></p> <p>Parcel Shape. Discussion added to Section V.B regarding lot shape and removal of potential sites from the inventory.</p> <p>Easements: Discussion added to Section V.B regarding lot shape and removal of potential sites from the inventory to private access easements. Public easements also discussed. However, easements are not seen as a constraint because of the inclusion of subprogram HE 2.1(e) to use gross lot area for density calculations.</p> <p>Contamination: Discussion added to Section III.B.1.d regarding contamination information from State GeoTracker website and active leaking underground storage tank remediation sites removed from the inventory.</p> <p>Voter Initiatives: One voter initiative of note is already included in Section III.B.1.f of the Technical Appendix. The SAFE Ordinance (for water availability) already discussed in Section III.B.2.</p> <p>Coastal Policies: Already discussed in III.A.1.g. Note that the City is proposing to change height standards for residential districts in the Coastal Zone. Subprogram 2.1(i) revised to include a proposed height increase in the coastal zone residential districts.</p> <p>Environmental Policies: Environmental policies are discussed in Section III.B.1, including seismic and geological hazards, flood areas and hazards, noise, hazardous materials/crude oil and petroleum products, biological resources, agricultural resources, and historic and archaeological resources.</p> <p>Airport Compatibility: Updated information added to Section III.B.6 of the Technical Appendix regarding the recently adopted Airport Land Use Compatibility Plan. Airport restrictions were considered in</p>	<p>Technical Appendix p. 10A-90</p> <p>Technical Appendix p. 10A-90, Housing Plan p. 10-12</p> <p>Technical appendix p. 10A-57, 10A-90</p> <p>Technical appendix p. 10A-57, 10A-90</p> <p>Technical appendix p. 10A-44, Housing Plan p. 10-13</p> <p>Technical appendix p. 10A-55-58</p> <p>Technical appendix p. 10A-61</p>
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	<p>the site selection process and none of the sites in the inventory are inconsistent with airport compatibility restrictions.</p>	
<p><u>Nonvacant Sites</u>: As noted in the prior review, the element must demonstrate the potential for additional development on nonvacant sites, including the extent existing uses impede additional development. While the element now discusses additional indicators of the potential for redevelopment (e.g., structure age, improvement to land value ratio, intensity of existing development), it should support the validity of these assumptions. For example, the element could describe recent trends and how those past conditions and circumstances relate to identified sites. Further, the element must discuss the extent existing uses impede additional development. The element discusses site characteristics in the three major zoning districts but should still address the extent existing uses impede additional development. This analysis should also address public comments received on this housing element review. For additional information, please see HCD’s prior review.</p>	<p>Technical Appendix significantly revised to support validity of assumptions used. This includes a detailed discussion of factors considered for underutilized sites and how each underutilized sites comports with these factors. This additional analysis includes discussion of use trends as an impediment to redevelopment. Public comments on various sites also considered.</p> <p>Furthermore, the new sites strategy utilizes vacant sites to meet the majority of its lower income RHNA.</p>	<p>Technical Appendix p. 10A-91–95, Table 10A-31</p>
<p><u>Nonvacant Sites</u>: 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 and substantial evidence should be reflected in the future re-adoption resolution of the element.</p>	<p>With revisions, the Housing Element does not rely on nonvacant sites to accommodate 50 percent or more of housing needs for lower-income households.</p>	<p>Housing Plan Table 10-1, p. 10-4</p>
<p><u>Programs</u>: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.</p>	<p>See responses above. Due to changes to the previously adopted inventory, the City now includes Subprogram HE 2.1(a) that includes the rezoning of various parcels to further support housing development in the City and to address a shortfall in lower income units.</p>	<p>Housing Plan p. 10-10–11</p>

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<p><u>Programs</u>: In addition, HCD’s prior review found Program HE 5.2 (Community and Regional Collaboration) should be modified with specific commitment and discrete timing. In response, the Program now commits to “work” and “support” efforts by the District. However, the Program should commit to how often the City will coordinate with the District and commit to how the City will “work” and “support” efforts. In addition, based on comments received on this review, there may be inconsistencies between the available water capacity and application of policies and ordinances. The element should resolve these inconsistencies and add or modify programs, including a mid-term evaluation of the effectiveness of this program and alternative actions, as appropriate.</p>	<p>Additional information added Technical Appendix Section III.B.2, Infrastructure based on additional discussion with the Goleta Water District.</p> <p>Subprogram HE 5.2(f) updated to better reflect existing circumstances and needs. Timing added where appropriate.</p>	<p>Technical Appendix p. 10A-50</p> <p>Housing Plan p. 10-33</p>

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<p><u>Land Use Controls:</u> While the element now concludes some development standards may cause challenges and modifies Program HE 2.1 to address constraints, it should still analyze land use controls to appropriately revise programs, as noted in the prior review. For example, the element should still evaluate parking requirements, three stories and allowable densities on mixed use development and lot coverages. The City could engage the development community or commenters on this letter to facilitate this analysis. For more information, please see HCD’s prior review.</p>	<p>Additional analysis added to the Technical Appendix regarding City land use controls and programs added to address constraints.</p> <p><i>By Topic:</i></p> <p>Parking. Additional information provided to evaluate parking requirements and subprogram HE 2.3(d) revised to further support parking reductions through shared parking analysis at the staff level (as opposed to requiring a Major Conditional Use Permit).</p> <p>Height. Additional information provided to evaluate the possibility of three-story development under the City’s height standards. Subprogram HE 2.1(h) added to increase height maximums in RP, RM, RH in the Coastal Zone to 35 feet (from 25 feet) and in the C-OT zone district to 35 feet (from 30 feet).</p> <p>Open Space. Analysis of open space requirements for mixed-use residential development added and subprogram HE 2.1(g) revised to include revisions to these standards.</p> <p>Densities. Analysis of mixed-use residential density in the CC district added and subprogram HE 2.1(a) and (g) amended to include a General Plan and zoning amendment to increase the maximum residential density in CC from 12 to 20 dwelling units per acre to further support mixed-use development. Additionally, subprogram HE 2.1(e) revised to include an allowance for adjustments to density standards through the review of a Development Plan.</p> <p>Lot Coverages. Analysis added and subprogram HE 2.1(i) (Revised Lot Coverage Methodology) added to utilize gross lot area in lot coverage calculations.</p>	<p>Technical Appendix p. 10A-33–34, Housing Plan p. 10-15</p> <p>Technical Appendix p. 10A-32–33, Housing Plan p. 10-13</p> <p>Technical Appendix p. 10A-33, Housing Plan p. 10-12</p> <p>Technical Appendix p. 10A-32, Housing Plan p. 10-11 and 10-12</p> <p>Technical Appendix p. 10A-33, Housing Plan p. 10-13</p>
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<p><u>Inclusionary Requirements:</u> As noted in the prior review, 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. In response, the element states the inclusionary requirement is consistent with Government Code section 65850 and 65850.01 (AB 1505). However, regardless of AB 1505, the element must include an analysis of potential constraints on housing. For example, the element should address unit thresholds, apparent lack of alternative means of compliance and interaction with State Density Bonus Law. Please see HCD’s prior review for additional information.</p>	<p>The City does allow alternative means of compliance. Details of the alternative means of compliance added to Section III.A.1.h of the Technical Appendix. Additionally, detail added to confirm that units proposed to meet the City’s inclusionary requirements can also be used to qualify for State Density Bonus law incentives and concessions. As already noted in the Technical Appendix, the City’s inclusionary policy does not apply to single-unit projects and projects of 2-4 units only have to pay fractional in-lieu fees for affordable housing. Additionally, information regarding the development of the affordable housing in-lieu fees added.</p> <p>Subprogram HE 2.5(c) also amended to allow alternative compliance to be approved by the Review Authority for the project (as opposed to only approvable by City Council).</p>	<p>Technical Appendix p. 10A-44–46, Housing Plan p. 10-17</p>

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<p><u>Processing and Permit Procedures:</u> The element now concludes some approval findings potentially limit residential development and modifies Program HE 2.1 to ensure densities will not be reduced. However, the element must still include analysis as noted in the prior review. For example, the element should discuss impacts on approval certainty, timing and feasibility. Please see HCD’s prior review for additional information.</p>	<p>Analysis added to Technical Appendix Section III.A.2.a (Residential Permit Processing). Added analysis includes reorganization of the section, further analysis of findings and thresholds for various approval types.</p> <p>New action added to subprogram HE 2.1(g) to remove Conditional Use Permit requirement for mixed-use development. Subprogram HE 2.1(e) revised to include the allowance for an adjustment to residential density standards through the processing of a Development Plan. Subprogram HE 2.1(j) revised to include an exemption for certain mixed-use development from the requirement for a Development Plan. Subprogram HE 2.1(k) added to revise several findings for different approval types to ensure greater certainty related to residential projects, including at maximum potential densities.</p> <p>Discussion of processing and the Permit Streamlining Act added to the Technical Appendix. Specific discussion included about changes to mapped environmentally sensitive habitat areas (ESHA) in the General Plan and subprogram HE 2.1(j) revised to include a revision to Conservation Element Policy 1.5 and Title 17 to clarify the process for changes to mapped ESHA and ensure that they are not treated as legislative actions for a given development project.</p>	<p>Technical Appendix p. 10A-46–52</p> <p>Housing Plan p. 10-12, 10-13</p> <p>Technical Appendix p. 10A-52, Housing Plan p. 10-13</p>
<p><u>Processing and Permit Procedures:</u> In addition, the element should address public comments on this submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.</p>	<p>Discussion of the Permit Streamlining Act added to the Technical Appendix Section III.A.2.a. Subprogram HE 2.1(j) now includes General Plan and zoning amendments to clarify the process for ESHA map changes.</p>	<p>Technical Appendix p. 10A-52; Housing Plan p. 10-13</p>
<p><u>Programs:</u> As noted above, 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 to address and remove or mitigate any identified constraints.</p>	<p>See responses above.</p>	

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<p><u>Goals, Priorities, Metrics, and Milestones:</u> While the element includes many potentially meaningful actions to affirmatively further fair housing (AFFH), programs generally should be revised with geographic targeting and targeted outcomes related to AFFH. For example, Programs HE 1.1 (Code Compliance) and HE 1.2 (Housing Rehabilitation) could be revised with geographic targeting and AFFH related outcomes such as 100 units rehabbed in areas of relatively higher concentrations of lower-income households. In addition, the element should consider additional actions related to place-based strategies toward community revitalization and displacement risk. For additional information, please see HCD’s AFFH Guidance Memo (starting on p. 72).</p>	<p>Significant revisions made to the Housing Plan and Technical Appendix to further address AFFH. A new matrix is included in Program HE 3.1 outlining AFFH issue areas, relevant programs, specific commitments, a timeline for implementation, geographic targeting, and an eight-year metric. Additional specific additions are detailed below.</p> <p>Revisions made to subprogram HE 1.1 to provide a geographic target and metric.</p> <p>Revisions to subprogram HE 1.2 made to include targeted, place-based efforts to address areas with the greatest overpayment and displacement risk with target efforts to identify funding resources for residents in those areas.</p> <p>Information added regarding the City’s efforts to address diversity, equity, and inclusion in all aspects of City operations in a new VII.H.7 of the Technical Appendix. A subprogram HE 3.1(e) added to commit to the City to continued efforts to address issues of access and opportunity and the adoption and implementation of a Diversity, Equity, and Inclusion (DEI) Plan.</p> <p>Discussion of place-based infrastructure improvements added, displaying a focus on improvements in the City’s disadvantaged community of Old Town. A new subprogram, HE 3.1(f), added to include a focus on Old Town in future capital project planning.</p> <p>Added discussion in VII.I.2 (Cost Burden) and VII.I.6 (Displacement Risk). Subprogram HE 3.1(a)(1) revised to include additional efforts to identify and address place-based issues of overpayment and displacement risk.</p> <p>Additional analysis of the sites inventory included in the Technical Appendix as those sites relate to segregation and integration,</p>	<p>Housing Plan p. 10-25–28 (and Table 10A-49 of the Technical Appendix)</p> <p>Housing Plan p. 10-6</p> <p>Housing Plan p. 10-6</p> <p>Technical Appendix p. 10A-153–154, Housing Plan p. 10-24</p> <p>Technical Appendix p. 10A-151–153 Housing Plan p. 10-24</p> <p>Technical Appendix p. 10A-158 and 10A-171, Housing Plan p. 10-20</p> <p>Technical Appendix p. 10A-172–188</p>
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	<p>racially/ethnically concentrated areas, access to opportunities, and disproportionate housing needs.</p>	
<p><b>Advisories</b></p>		
<p>Chapter 654, Statutes of 2022 (AB 2339), adds specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD's memo at <a href="https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf">https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf</a>.</p>	<p>Additional analysis added to Section III.A.1.b of the Technical Appendix related to Emergency Shelters and Housing Plan subprogram HE 3.2(b) revised to address the requirements of AB 2339 (2022).</p>	<p>Technical Appendix p. 10A-38, Housing Plan p. 10-29,</p>
<p>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 make prior identified sites available or accommodate the regional housing needs allocation (RHNA) shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.</p>	<p>No response required.</p>	

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<p>Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. During the housing element revision process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while 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.</p>	<p>Additional outreach and public comment information added to Technical Appendix. This information includes details on three study sessions with the City Council, Planning Commission, and public in July 2023 to discuss potential rezone sites now included in subprogram HE 2.1(a). Notification of the study sessions was sent to over 9,700 recipients in English and over 1,400 recipients in Spanish. Spanish interpretation was offered at all three study sessions. The City has continued to maintain a project website with up to date information and public comment received for the project.</p>	<p>Technical Appendix p. 10A-110–116</p>
<p>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 meets housing element requirements for these and other funding sources.</p>	<p>No response required.</p>	
<p>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: <a href="https://www.opr.ca.gov/planning/general-plan/guidelines.html">https://www.opr.ca.gov/planning/general-plan/guidelines.html</a>.</p>	<p>No response required.</p>	