

TO: JAMES L. APP, CITY MANAGER
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: HOUSING ELEMENT AMENDMENT
DATE: AUGUST 3, 2004

Needs: To give preliminary review to a Draft Revision to the December 2003 Housing Element.

- Facts:
1. On December 16, 2003, the City Council adopted the Update to the General Plan, which included an updated Housing Element.
 2. California Government Code Section 65585 requires that, prior to their adoption, the State Department of Housing and Community Development (HCD) review all draft Housing Elements for compliance with State Housing Element Law. The same code section also requires that HCD review all adopted elements for the same purpose.
 3. On December 12, 2003, HCD sent a letter to the City stating that they found the draft Housing Element not to be in compliance with State Law and listing issues to be addressed in revising the element to attain compliance.
 4. In order to meet the legal deadline to have a new Housing Element by the end of 2003, the City proceeded to adopt the Housing Element as it was an integral part of the General Plan Update. The City did so knowing that the Housing Element would have to be revised at a later date to achieve compliance with State law.
 5. Public Hearings on the Draft Revised Housing Element are tentatively scheduled for Planning Commission and Council meetings in October 2004.
 6. Per Government Code Section 65585, any new draft revised/amended housing element must be sent to HCD for their review prior to its adoption. State law provides that HCD has 60 days to complete this review.

Analysis and
Conclusion:

To accommodate the October hearings for the Draft Revised Housing Element, it was necessary to send the revision to HCD by July 13, before the Planning Commission and City Council had an opportunity to review and comment on the draft revision.

However, at their respective meetings of June 8 and June 15, 2004, the Planning Commission did consider the comments made by HCD in their letter of December 12, 2003 and were advised that the majority of HCD's comments call for the City to provide the following:

- Additional analysis of issues that HCD found not to be adequately addressed (e.g., discussion of constraints to affordable housing);
- Enhanced analysis to support/substantiate the conclusions policies, programs, and action items set forth in the element (e.g., provide proof that the number of dwelling units required to meet the City's share of the Regional Housing Needs Allocation can be met);

- To add and/or enhance programs and action items to address needs that may be revealed as a result of the additional and enhanced analyses called for (e.g., providing zoning regulations for homeless shelters, transitional housing, and farmworker housing);
- To demonstrate that the City is committed to taking certain actions (e.g. reinstating a rehabilitation loan program).

As had been explained to the Planning Commission and City Council, the changes to the Housing Element consist of expanded analysis that support the Policies and Action Items set forth in Chapter 2.0 of the Element. Additionally, as a result of HCD’s comments and the expanded analysis, the following amendments were made to the Action Items:

Policy	Action Item	Change
All policies	All Action items	Responsibility, target dates, and funding were identified for each action item. The Dec 2003 element did this in (former) Table H-1, which was not very readable.
H-1A: Provide adequate/ sufficient sites to meet the City’s housing needs	#1: Set aside sufficient sites to meet 2009 Regional Housing Need targets shown in two tables	<p>a. The referenced tables were updated, reformatted, and relocated to Chapter 5.0.</p> <p>b. Three detailed actions to accomplish this task were listed. (See page H-7.)</p>
H-1A: Provide adequate/ sufficient sites to meet the City’s housing needs	#4: Encourage provision of affordable housing in the vicinity of Cuesta College.	The previous version cited “high density” housing (i.e. 20 units/acre), which was considered with the General Plan update, but not adopted. The new text explains specific actions the City will take to implement this policy.
H-1B: Promote and Expand housing opportunities for all segments of the community	#1: Create a certain inventory of new dwelling units per year.	<p>a. The prior target was 219 low and very low income units /year, which equaled the Regional Housing Need for those income groups divided by 5 years; the new target equals the Quantified Objectives for those income groups.</p> <p>b. The new text explains specific actions the City will take to implement this policy.</p>

Policy	Action Item	Change
H-1B: Promote and Expand housing opportunities for all segments of the community	#8: New Action Item	In order to implement SB 520 (2001), the new action calls for the City to amend the Zoning Code to allow for modifications of development standards by the DRC or by staff where necessary to make a dwelling unit accessible to the disabled.
H-3B: Adopt regulatory incentives	#1: Design and construction standards	The prior action called for the City to adopt multi-family standards; that was done in 1995 and in 2000. The new action calls for the City to review the standards and amend them as necessary to remove constraints to affordable housing.
H-4: Equal access to Housing	#4: Provide information to the public	The new action calls for additional specific measures the City will take to disseminate equal opportunity information.

HCD's formal review of the Draft Revised Housing Element commenced on July 14. At this point, should the Planning Commission and City Council recommend/direct further revisions, such revisions could reset the 60 day review clock, thereby rescheduling hearings on the element for November 2004. Assuming that there are no further revisions to be made to the element, the following schedule is anticipated.

September 13 (Wed)	Receive comments on draft element from HCD
September 17 (Fri)	Send Notice of Completion of Negative Declaration to State Clearinghouse
September 24 (Fri)	Complete any further revisions that HCD might recommend
October 12 (Tue)	Planning Commission Public Hearing
October 19 (Tue)	City Council Public Hearing

Policy

Reference: Housing Element; State Housing Element Law (Government Code Sections 65580 et seq.)

Fiscal

Impact: Most of the programs and action items listed in the Housing Element would be accomplished with monies from Community Development Block Grant (CDBG) Funds, HOME Funds, a variety of state funds, and Redevelopment Low and Moderate Income Housing Funds. General Funds would be used for normal activities accomplished by city staff.

Options:

- a. That the City Council receive and file the Draft Revised Housing Element.
- b. Amend, modify or reject the foregoing option.

Attachment: Draft Revised Housing Element (distributed separately)