

Attachment C
CA Department of Housing and Community Development
Letter

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

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August 11, 2016

*****Corrected November 1, 2016*****

Mr. Bruce Rudd, City Manager
City of Fresno
2600 Fresno Street, Room 2064
Fresno, CA 93721

Dear Mr. Rudd:

RE: City of Fresno's 5th Cycle (2015-2023) Adopted Housing Element

Thank you for submitting Fresno City's housing element adopted April 28, 2016 which was received for review on May 12, 2016. Pursuant to Government Code (GC) Section 65585(h), the Department is reporting the results of its review.

The 5th cycle adopted element represents significant progress and addresses many statutory requirements described in the Department's March 7, 2016 review. However, revisions will be necessary to comply with State housing element law (GC, Article 10.) as follows:

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

If a city or county in the prior planning period failed to identify or make available adequate sites to accommodate that portion of the regional housing need allocated pursuant to Section 65584, then the city or county shall, within the first year of the planning period of the new housing element, zone or rezone adequate sites to accommodate the unaccommodated portion of the regional housing need allocation from the prior planning period (Section 65584.09).

Unaccommodated Need from the Prior 4th Cycle Planning Period: As noted in the previous review, the element must address the unaccommodated need from the prior planning period. In the 4th cycle planning period, the element contained a program to address a shortfall of adequate sites with appropriate zoning. This program far exceeded the shortfall of adequate sites and was utilized to address other important factors such as the preponderance of small sites and non-residential zoning. The combination of addressing a shortfall of capacity

and site circumstances resulted in an unclear quantification of the shortfall. To address this lack of clarity, the Department reviewed the prior housing element indicating the shortfall of adequate sites to accommodate the housing need for lower income households is 6,476 housing units. This review is based on appropriately zoned and sized sites identified in the 2008 and 2009 adopted housing elements from the 4th cycle. The element should be revised to reflect this shortfall.

In addition, the element must be revised to identify those sites being utilized to accommodate the unaccommodated need from the prior planning period. The revision should also be accompanied by an analysis and programs as appropriate demonstrating compliance with requirements pursuant to Section 65583.2(h) and (i), including:

- Permitting owner-occupied and rental multifamily uses by-right to accommodate the remaining need for lower-income households. By-right means local government review must not require a conditional use permit, planned unit development permit, or other discretionary review or approval;
 - Ensuring a minimum of 16 units per site;
 - Requiring a minimum density of 20 units per acre; and
 - Accommodating at least 50 percent of the lower-income need on sites designated for residential use only or on sites zoned for mixed uses meeting specified criteria.
2. *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 (Section 65583(c)).*

As noted above, the adopted element represents significant progress since the prior review and contains many well-crafted programs to address the City's housing needs. However, the element should include additional revisions to assure a beneficial impact toward Fresno's goals and objectives. Specifically:

Program 10a (Mobile Home Parks): While listing resources and providing outreach to owners and tenants are meaningful actions, the program should include additional actions with timelines toward the conservation of mobile home parks such as outreach with non-profits and assisting with funding applications.

Program 26 (Equitable Communities): This new program is an important and valuable step toward furthering fair housing in the Fresno area. However, the program should include more specific action and timelines to assure a beneficial impact toward the City's goals and objectives. For example, Program 26 could be integrated into several other programs in the

element such as Program 1 (Adequate Sites), Program 5 (Housing Funding Sources), and Program 8 (Homebuyer Assistance). Also, while recognizing the City's efforts to balance multiple objectives such as promoting equity and infill, the program could also include specific commitment to rezone more housing choices in high opportunity areas.

3. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in Finding 1, the element does not include a complete analysis of the unaccommodated need from the prior planning period; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete analysis, the City may need to add or revise programs to address an unaccommodated need from the prior planning period. Programs to address requirements related to an unaccommodated need must be completed within the first year of the planning period. In addition:

Small Sites: Depending on the outcomes of the analyses described above, the element may need to provide analysis and revisions to programs to demonstrate the feasibility and potential development, particularly affordable to lower income households, on small sites (e.g., less than 16 units). For example, the element may need to evaluate the potential for consolidations or include programs to rezone alternative sites with appropriate densities.

Program 2 (Residential Densities on Identified Sites): Upon findings that the element no longer maintains adequate sites, the program should commit to rezone equivalent capacity and densities by a date certain.

Once the element has been revised and adopted to address the requirements described above, it will 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 must continue to engage the community, including organizations that represent lower-income and special needs households, by making information and revisions regularly available in a timely fashion and considering and incorporating comments where appropriate. Revisions should be well noticed and available prior to submitting the element to the Department. In addition, the City should provide a variety of meaningful opportunities for input, beyond testimony at a public hearing.

The Department welcomes the opportunity to continue working with the City and looks forward to assisting with innovative approaches to addressing Fresno's housing and community development needs. The Department appreciates the cooperation and dedication provided throughout the review by the City's housing element team, including the Development and Resource Management Department. Please contact Paul McDougall, of our staff, at (916) 263-7420 for assistance in meeting statutory requirements.

Sincerely,

A handwritten signature in cursive script, reading "Glen A. Campora". The signature is written in dark ink and is positioned above the printed name and title.

Glen A. Campora
Assistant Deputy Director