

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

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October 11, 2021

David Reyes, Director
Planning and Community Development Department
City of Pasadena
175 North Garfield Avenue
Pasadena, CA 91101

Dear David Reyes:

RE: City of Pasadena's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Pasadena's (City) draft housing element received for review on August 12, 2021. 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 telephone conversation on October 8, 2021 with Arlene Granadosin-Jones, Planner, David Sanchez, Principal Planner and Consultants Laura Stetson and Veronica Tam. In addition, HCD considered comments from Affordable Housing Services, Pasadenans Organizing for Progress, Pasadena Affordable Housing Coalition, YIMBY Law, Abundant Housing LA, Our Future LA Coalition, Making Housing and Community Happen and Sonja K. Berndt 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.

The City's statutory deadline to adopt a housing element is October 15, 2021. 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 this statutory deadline, then any rezoning to accommodate the regional housing needs allocation, 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).

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.

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: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Reid Miller, of our staff, at Reid.Miller@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF PASADENA

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 must evaluate the effectiveness of prior programs and appropriately adjust goals, objectives, policies, and programs. For example, many programs are continued without adjustment. Further, HCD received substantial public comments regarding past programs and these comments should be considered as part of this evaluation and adjustment of program in the 6th cycle.

In addition, as part of the review of programs in the past cycle, the element must provide an evaluation of the cumulative effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers, and persons experiencing homelessness).

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))*

Concentrated Areas of Poverty and Affluence: The element notes there are not Racially and Ethnically Concentrated Areas of Poverty (R/E CAP) in the City. However, the element also identifies an area of High Segregation and Poverty utilizing HCD and TCAC Opportunity Areas maps and as a result, it should include a specific analysis of these areas including trends, investment, past policies, local data and knowledge and other relevant factors. In addition, the element states there are no block groups with racial/ethnic minority populations below 20 percent; therefore, Pasadena is not an area of concentrated area of affluence. However, the element

should include discussion and analysis of household incomes relative to the rest of the region and whether any trends present potential barriers to AFFH.

Sites Inventory: The element reports percentages of the regional housing need allocation (RHNA) by income group based on different concentrations of socio-economic characteristics but should also include analysis of the magnitude of the impact of identified sites relative to the number of households and whether the identification of sites exacerbates or improves existing conditions. This analysis should also discuss impacts at a neighborhood level and the element should include policies and program as appropriate.

Local Data and Knowledge: The element should incorporate local data and knowledge of the jurisdiction into the Affirmatively Furthering Fair Housing (AFFH) section. To assist in meeting this requirement, the element should provide local data not captured in regional, state, or federal data analysis. In addition, HCD received many useful comments regarding AFFH, particularly from Our Future LA Coalition, Affordable Housing Services, Abundant Housing LA, and Pasadena Affordable Housing Coalition. The City should consider these valuable and important comments across all components of the AFFH analysis and programs.

Other Relevant Factors: The element includes some discussion of other relevant factors such as past restrictive covenants and redlining as well as freeway construction and efforts related to Northwest Pasadena. The element should include additional analysis of the effectiveness of efforts in Northwest Pasadena and add or modify programs as appropriate. In addition, the element describes the City's local preference policy but should also discuss the impacts of this policy on housing mobility on a regional level.

Contributing Factors to Fair Housing Issues: The element must identify and prioritize contributing factors to fair housing issues. Contributing factors create, contribute to, perpetuate, or increase the severity of fair housing issues and are fundamental to adequate goals and actions. Examples include community opposition to affordable housing, housing discrimination, land use and zoning laws, lack of regional cooperation, location and type or lack of affordable housing and lack of public or private investment in areas of opportunity or affordable housing choices.

Goals, Actions, 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, metrics and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

For further information about AFFH requirements, please refer to HCD's https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf#page=7.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low-Income (ELI) Households: While the element includes a general description and identifies the projected number of ELI households, it must still analyze their existing housing needs. This is particularly important given the unique and disproportionate needs of ELI households. For example, the element should analyze tenure, cost burden, overcrowding and other household characteristics then examine trends and the availability of resources to determine the magnitude of gaps in housing needs. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

3. *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).)*

Housing Conditions: The element identifies the age of the housing stock. However, the element should also estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from the City's inspection programs, a recent windshield survey or sampling or information from knowledgeable builders/developers and neighborhood advocacy groups. Programs should be added or modified based on the outcomes of a complete analysis.

4. *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).)*

RHNA Progress: The City's RHNA may be reduced by the number of new units pending, approved, permitted or built since July 1, 2021 by demonstrating availability and affordability based on rents, sale prices or other mechanisms ensuring affordability (e.g., deed restrictions). The element notes 1,277 units affordable to various income groups. However, the element should account for whether the units will likely be built during the planning period and specifically demonstrate affordability on a project basis utilizing rents, sale prices or other mechanisms ensuring affordability (e.g., deed restrictions). Since these are actual projects, this analysis may not utilize density as a factor to demonstrate affordability.

Sites Inventory: The sites inventory lists sites by address, assessor parcel number, parcel size, general plan, zoning, specific plan, and number of units but should also clearly distinguish between vacant and nonvacant sites. For nonvacant sites, parcels should be listing by existing uses and the description should be sufficiently detailed to facilitate an analysis of the potential for additional development in the planning period.

Realistic Capacity: The element mentions an assumption of 90 percent of maximum allowable densities to calculate residential capacity on identified sites. However, the element should include additional and clear supporting information on typical densities of existing or approved residential developments at a similar affordability level. For example, the element could clearly list other recent projects, the zone, acreage, built density, allowable density, level of affordability and presence of exceptions such as a density bonus.

In addition, the element appears to assume residential development on sites with zoning that allows 100 percent nonresidential uses, but to support this assumption, the element must analyze 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. For addition information, see HCD's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Suitability of Nonvacant Sites: The element offers a high-level analysis of sites and their suitability for residential development. However, the element must include an analysis to demonstrate the potential for redevelopment. The analysis shall consider factors including, but not limited to, the extent existing uses constitute an impediment, recent developments, development trends and market conditions. For example, the element identifies over 30 acres of nonvacant sites in the RM-12 zone based on inquiries from property owners but must also include analysis of trends relative to identified sites and characteristics of sites that demonstrate the potential for additional development.

In addition, the element appears to rely on nonvacant sites to accommodate 50 percent or more of the RHNA for lower-income households. For your information, 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.

Replacement Housing Requirements: If the sites inventory identifies sites with existing residential uses, it must identify whether the current residential uses are affordable to lower-income households or describe whether the additional residential development on the site requires the demolition of the existing residential use. For nonvacant sites with existing, vacated, or demolished residential uses and occupied by, or subject to an affordability requirement for, lower-income households within the last five years there must be a replacement housing program for units affordable to lower-income households. (Gov. Code, § 65583.2, subd. (g)(3).) Absent a replacement housing program, these sites should not be utilized toward the regional housing need allocation. The replacement housing program has the same requirements as set forth in Government Code section 65915, subdivision (c)(3). The housing element must be revised to include an analysis and a program, if necessary.

Sites Identified in Prior Planning Periods: Sites identified in prior planning periods shall not be deemed adequate to accommodate the housing needs for lower-income households unless a program, meeting statutory requirements, requires rezoning within three years. The element should 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. For more information on program requirements, please see HCD's Housing Element Sites Inventory Guidebook at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

Small Sites: Sites less than 0.5 acres in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence to HCD that the site is adequate to accommodate housing for lower-income households. (Gov. Code, § 65583.2, subd. (c)(2)(A)&(B).) For example, the analysis could describe trends in facilitating affordability on small sites, potential for lot consolidation or zoning, policies or programs that will facilitate consolidation or development comparable to sizes of typical affordable developments (e.g., 50 to 150 units).

Environmental Constraints: The element must include analysis of potential environmental constraints and any known conditions that preclude development on sites listed in the inventory. This analysis may describe any mitigation or other measures that impact the availability of sites.

Infrastructure: The element must demonstrate sufficient existing or planned water, sewer and dry utilities capacity to accommodate the regional housing need allocation in the planning period. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#environmental>.

In addition, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to

lower-income households. (Gov. Code, § 65589.7.) Local governments are required to immediately deliver the housing element to water and sewer service providers. The element must demonstrate compliance with these requirements or include a program as appropriate.

Accessory Dwelling Units (ADUs): The element relies on 1,245 Accessory Dwelling Unit to accommodate a portion of the City's RHNA, including for lower-income households. The element appears to rely on the number of applications in 2019 and 2020. While this information may be utilized to inform the potential for ADUs in the planning period, the analysis should be based on permitted ADUs and the approval information should be ancillary to permitted ADUs. For your information, HCD records indicate permitted ADUs of 13 in 2018, 16 in 2019 and 79 in 2020. The element should reconcile these numbers and adjust assumptions as appropriate.

Electronic Site Inventory: For your information, pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element must identify a zone(s) to permit emergency shelters without discretionary action and sufficient to accommodate the need for emergency shelters. Currently, the element appears to identify insufficient capacity to accommodate the need for emergency shelters and should include programs as appropriate to zone additional capacity. In addition, the element should discuss available acreage, including typical parcel sizes and the presence of reuse opportunities proximity to transportation and services and any conditions inappropriate for human habitability. Finally, the element should analyze development standards, including parking requirements which appear inconsistent with recent changes to law (AB 139).
- *Transitional Housing:* Transitional and supportive housing must be permitted as a residential use in all zones and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. These uses appear to be excluded from low density residential zones (Table B-3). The element must demonstrate compliance with these statutory requirements and include a program, as appropriate.
- *Employee Housing Act:* The element states the City does not have agricultural land and as a result does not have zoning responsive to the needs of farmworkers. However, regardless of need or presence of agricultural land. The City must demonstrate zoning in compliance with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or include

programs as appropriate to establish zoning by a specified date. Specifically, Health and Safety Code 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. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone.

5. *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 requirements related to parking and heights. 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. In addition, this analysis should address the following:

- *Specific Plans:* The element mentions caps general plan development caps on specific plans and exemptions for affordable housing; however, it must specifically analyze the impacts of caps on residential capacity on identified sites and overall impacts on housing supply and cost.
- *Inclusionary Requirements:* The element must identify the components and all pertinent procedures related to inclusionary housing requirements and analyze impacts on the cost, supply and timing of housing. The analysis must evaluate the implementation framework, including levels of mandated affordability and the types of options and incentives offered to encourage and facilitate compliance with the inclusionary requirements. This analysis should also address the relationship to State Density Bonus Law pursuant to Government Code section 65915.
- *State Density Bonus Law:* The element must describe and analyze the City's density bonus ordinance, including any discretionary actions or other related procedures for compliance with Government Code section 65915.

Fees and Exaction: The element must describe all required fees for single family and multifamily housing development, including impact fees, and analyze their impact as potential constraints on housing supply and affordability. While the element summarizes impact fees, it should also list and analyze all relevant impact fees.

Local Processing and Permit Procedures: The element provides a general overview of the City's processing and permit procedures. However, the element must describe

and analyze the development application process and all related procedures including design review and decision-making criteria for their impact on housing cost, supply, timing, and approval certainty. For example, the element should 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. Finally, the element notes a development may trigger a Planning Commission or Design Commission review. The analysis should address what triggers this type of review and all components of the review that may impact housing supply, cost and approval findings.

Zoning and Fee Transparency: The City must address whether it has complied with new transparency laws requiring all zoning and development standards for each parcel to be provided on the jurisdiction's website (Gov. Code, § 65940.1 (a)(1)(B)).

Housing for Persons with Disabilities: While the element briefly describes its reasonable accommodation procedures, it should further evaluate its reasonable accommodation criteria and process, including approval findings. For example, the element notes a process similar to a minor variance which involves findings related to hardship provisions that are not appropriate for providing reasonable accommodation and act as a barrier to housing for persons with disabilities. In addition, group homes for seven or more persons appears to be excluded from several zones allowing residential uses and subject to a conditional use permit. The element should evaluate these requirements as constraints 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).)*

The element includes some general quantification; however, the element should include analysis of households with special housing needs. The analysis should include, but is not limited to, factors such as trends, household income, tenure, housing types, zoning, and available resources. In addition, the element should address persons with disabilities by type, elderly households by tenure, permanent, seasonal farmworkers (e.g., USDA county level data) and the characteristics and trends of persons experiencing homelessness. For additional information and a sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/large-families-female-head-household.shtml>.

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 through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)

To have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines, specific commitment, and descriptions on how the program will be implemented. For example, programs to be revised with specific timelines include, but are not limited to Programs 2 (Northwest Pasadena), 3 (Housing Rehabilitation), 5 (Housing Design), 6 (Housing Sites), 14 (Rental Housing Assistance), 16 (Housing for People with Disabilities), 17 (Housing for Seniors), 18 (Family, Youth and Student Housing) and 19 (Homeless Services). Programs to be revised with specific commitment include but are not limited to:

- *Program 7 (Mixed Use/TOD Strategy):* The program must go beyond “assess” and include actions toward actual housing outcomes.
- *Program 10 (Regulatory Incentives):* Program timing should be moved earlier in the planning period and revised as appropriate based on a complete analysis as described in Finding B5.
- *Program 11 (Alternative Housing Opportunities):* Program timing should be moved earlier in the planning period (Consistent with Program 23) and actions should go beyond “review” and “evaluate” toward actual housing outcomes in the planning period.
- *Program 12 (Financial Assistance):* Program actions should be added beyond “Look for additional opportunities...”.
- *Program 15 (Affordable Housing Preservation):* The program currently “plans” to monitor properties at-risk of converting to market rate uses but should include specific commitment to carry out actions. In addition, the program should commit to comply with noticing requirements, assist with funding and support funding opportunities and coordinate with qualified entities to preserve at-risk properties.

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, mobilehomes, 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 B4, 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.

3. *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 Finding 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.

4. *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 protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, the element must include a complete analysis of AFFH. Based on the outcome of that analysis, the element must add or modify programs. Additionally, programs and actions need to be significant, meaningful, and sufficient to overcome identified patterns of segregation and AFFH.

5. *Develop a plan that incentivizes and promotes the creation of ADU that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, "ADU" has the same meaning as "ADU" as defined in paragraph (4) of subdivision (i) of Section 65852.2. (Gov. Code, § 65583, subd. (c)(7).)*

Programs must be added or modified to include incentives to promote the creation and affordability of ADUs. Examples include exploring and pursuing funding, modifying development standards and reducing fees beyond state law, increasing awareness, pre-approved plans and homeowner/applicant assistance tools. In addition, Program 11 (Alternative Housing Opportunities) should be revised with a date earlier in the planning period and must 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).

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 the preservation of units at-risk of conversion to market rate uses, the objectives are far less than the number of units at-risk of conversion. Given the importance of preserving the existing affordable housing stock, the City should consider a higher objective for the planning period.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd. (c)(8).)

While the element includes a general summary of the public participation process, it should also summarize public comments and describe how they were considered and incorporated into the element. Further, the element should describe additional methods for public outreach efforts in the future, particularly to include lower-income and special needs households and neighborhoods with higher concentrations of lower-income households. For example, the City could conduct targeted stakeholder interviews or establish a committee representative of lower-income households in future public outreach efforts. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml>.

In addition, HCD understands the City did not make the full element available with sufficient time to comment prior to HCD submittal. If so, by not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the City has not yet complied with statutory mandates to make a diligent effort to encourage the public participation in the development of the element and it reduces HCD's ability to consider public comments in its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including revising the document where appropriate. HCD's future review will consider the extent to which the revised element documents how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.

Finally, HCD received comments with many meaningful and valuable suggestions related to the housing element. Comments ranged a variety of topics such as protection and preservation of affordable housing, prioritization of affordable housing, site capacity, AFFH, ADU estimates, lack of past progress in implementation such as place based

strategies for community revitalization in northwest Pasadena, not enough sites for moderate income households, density caps in specific plans, lack of rezoning for housing on religious institutions sites, dedicated affordable housing money and lack of analysis and zoning to address the needs of people experiencing homelessness. Yet, the element includes no discussion of how these comments were considered or incorporated in the element. In future versions of the element, HCD strongly encourages the City to consider and address these comments, including revising the document as appropriate.