

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

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July 9, 2021

David Welch, Community and Economic Development Director
Community & Economic Development Department
City of Riverside
3900 Main Street
Riverside, CA 92522

Dear David Welch:

RE: Review of the City of Riverside's or 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Riverside's draft housing element received for review on May 10, 2021, along with revisions received on June 25, 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 June 16, 2021, with Matthew Taylor, Senior Planner; David Murray, Principal Planner; Mary Kopaskie-Brown, City Planner; and the City's consultants, Veronica Tam and Associates, and Houseal Lavigne Associates. In addition, HCD considered comments from Inland Counties Legal Services, the Inland Equity Partnership, and Josh Albrekston 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 necessary revisions needed to comply with State Housing Element Law.

Government Code section 65588, subdivision (e)(4) requires a jurisdiction that failed to adopt its housing element within 120 calendar days from the statutory due date to revise its element every four years until adopting at least two consecutive revisions by the applicable due dates. Riverside did not meet the requirements of Government Code section 65588, subdivision (e)(4), in the 5th cycle (2013 -2021); therefore, it is subject to the four-year revision requirement until the city has adopted at least two consecutive updated revisions by the applicable due dates. The City missed the first opportunity to adopt on time October 15, 2017. As the City failed to adopt a housing element by October 15, 2017, the City continues to be subject to the four-year revision requirement. Provided the City adopts its housing element on or before October 15, 2021, it will meet the first four-year requirement.

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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.

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 (for all income-levels). 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 County/City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

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.

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.

HCD appreciates the dedication Matthew Taylor, David Murray, Mary Kopaskie-Brown, and the City's consultants provided during the course of our review. 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 Gianna Marasovich, of our staff, at Gianna.Marasovich@hcd.ca.gov.

Sincerely,



Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF RIVERSIDE

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).)

As part of the evaluation of programs in the past cycle, the element must provide an explanation of the 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))*

Enforcement and Outreach: The housing element must include a summary and analysis of outreach. This entails a description of outreach materials, stakeholder and community meetings, etc. The element should also include a description of the referral process for housing complaints.

Integration and Segregation: While the element analyzes most components of this section, the analysis should include patterns and trends of familial status.

Racial/Ethnic Areas of Concentration of Poverty and Affluence (R/ECAP): The element must include an analysis of racially and ethnically concentrated areas of poverty. While the element identifies R/ECAPs, the analysis must include whether the concentration of poverty has changed over time as well as identify other relevant factors (public participation, past policies/practices, investments, and demographic trends). The element should also discuss the local and regional patterns of racial concentrations in areas of affluence and concentrations of wealth.

Access to Opportunity: The element must identify and analyze significant disparities in access to opportunity within the locality and relative to the region. While the element includes an analysis of access to opportunity, it must analyze the access to transportation at a local level as well as the access to education, economy, and environment at a regional level. The element must also analyze the access to opportunities for persons with disabilities.

Displacement: The element should include data on overcrowded households that compares renter and owner households at the local and regional level. The element should also analyze the data on substandard housing, homelessness, displacement due to at-risk properties, and displacement due to natural disasters.

Goals, Priorities, Metrics, and Milestones: The element must be revised to add or modify goals and actions based on the outcomes of analysis described above. Goals, actions, priorities, and metrics, and milestones must specifically respond to the analysis of 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 metrics and milestones as appropriate and address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

Sites Inventory: The element discusses opportunity sites. It is unclear if the sites identified are all sites included in the inventory, or if they are the sites designated as affordable to lower-income households. Additional analysis is required to explain why new housing sites are concentrated in low resource areas. The element must analyze how the strategy affirmatively furthers fair housing. In addition, the analysis must include programs to provide place-based opportunities and prevent displacement.

For further guidance, please visit HCD's Affirmatively Furthering Fair Housing in California Webpage at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

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).)*

Condition of Housing Stock: The element identifies the age of the housing stock (page 38, TBR-1). However, it must include analysis of the condition of the existing housing stock and estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including non-profit housing developers or organizations. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.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).)*

The City has a regional housing need allocation (RHNA) of 23,964 housing units, of which 7,925 are for lower-income households. To address this need, the element relies on vacant sites, including sites in Specific Plan Areas. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Progress in Meeting the RHNA: The element indicates (page 2, TBR-3) that 2,430 units affordable to very low-income households and 3,064 units affordable to low-income household have been built or are under construction or approved, but the element provides no information documenting how affordability of the units was determined. As you know, the City's RHNA may be reduced by the number of new units built since June 30, 2021; however, the element must describe the City's methodology for assigning these units to the various income groups based on actual sales price or rent level of the units and demonstrate their availability in the planning period.

Sites Inventory: The element includes the Residential Sites Inventory (Appendix A) which must list the general plan designation, a description of the existing uses, and the anticipated affordability level of the units for each site identified in the sites inventory. Additionally, 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 (for all income-levels). 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.

Realistic Capacity: The element must add support for the assumption of 80 percent development of the maximum capacity with an expanded project listing by zone, built density, and affordability levels. The element must account for the likelihood of residential development in zones allowing 100 percent nonresidential uses through recent project examples of approved and developed projects.

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 that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2)).

Large and Small Sites: Sites larger than 10 acres and smaller 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 lower-income housing (Gov. Code, § 65583.2, subd. (c)(2)(A).). For example, a site with a proposed and approved housing development that contains units affordable to lower-income households would be an appropriate site to accommodate housing for lower-income households. (Gov. Code, § 65583.2, subd. (c)(2)(C).). HCD did not consider these sites toward accommodating any portion of the Regional Housing Needs Allocation (RHNA) for lower-income households. The City should not consider them adequate, available or additional sites pursuant to Government Code section 65863 (No-Net Loss Law).

Previously Identified Nonvacant and Vacant Sites: The sites inventory must indicate whether any sites were identified in previous planning periods. If nonvacant sites identified in a prior adopted housing element or vacant sites identified in two or more consecutive planning periods, the sites are inadequate to accommodate housing for lower-income households unless:

- The site's current zoning is appropriate for the development of housing affordable to lower-income households by either including analysis or meeting the appropriate density. See Government Code section 65583.2, subdivision (c)(3), and
- The site is subject to a housing element program that requires rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower-income households (Gov. Code, § 65583.2, subd. (c).).

Nonvacant Analysis: While the element identifies nonvacant sites to accommodate the regional housing need for lower-income households, it must support analysis factors with development trends and past experience and relate to the inventory. For example, the element states that an "underutilization index" is used to determine opportunity sites but does not relate that index to the sites listed in Appendix A. The element must describe the methodology used to determine the additional development potential within the planning period. The methodology must consider factors including the extent to which existing uses may impede additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites. (Gov. Code, § 65583.2, subd. (g).) For sites with residential uses, the inventory could also describe structural conditions or other circumstances and trends demonstrating the redevelopment potential to more intense residential uses. For nonresidential sites, the inventory could also describe whether the use is operating, marginal or discontinued, and the condition of the structure or could describe any expressed interest in redevelopment. 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#analysis>.

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 that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). This can be

demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2)).

Map of Sites: The element must include a general map of identified sites. For additional information, see the sites inventory analysis section of the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/inventory-of-land-suitable.shtml>.

Replacement Housing Requirements: If the sites inventory identifies sites with existing residential uses, it must identify whether they 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 are not adequate sites to accommodate lower-income households. 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 such analysis and a program, if necessary.

Zoning for a Variety of Housing Types:

Emergency Shelters: The analysis of adequate zoning for emergency shelters must discuss the characteristics of suitability of the zone(s) including environmental hazards and development standards including parking requirements. If the element cannot demonstrate compliance with the statutory requirements, a program to amend the zoning ordinance to meet the statutory requirements must be completed within one year of the adoption of the housing element.

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. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)*

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 lists fees

for multifamily development, single family development fees must be listed and analyzed.

Design Review: While the element lists the approval findings, it must describe and analyze the design review guidelines and process, including approval procedures and decision-making criteria, for their impact as potential constraints on housing supply and affordability. For example, the analysis could describe required findings and discuss whether objective standards and guidelines improve development certainty and mitigate cost impacts. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate.

Constraints on housing for Persons with Disabilities: The element indicates a reasonable accommodation can be granted with a variance or conditional use permit. However, the reasonable accommodation procedure must have specific procedures for requesting and granting a reasonable accommodation separate from both the variance and conditional use permit procedures. The procedure should not be limited to the installation of accessibility improvements and must provide reasonable accommodations to zoning and land-use requirements for housing for persons with disabilities. For additional information and a sample program and ordinance, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/constraints-for-people-with-disabilities.shtml>.

In addition, group homes for seven or more residents are excluded in the RC and RA-5 zones. The element also lists the need for a conditional use permit for group homes. The conditional use permit and exclusion from listed zones should be analyzed as a constraint on housing for persons for disabilities, and the element should include actions as appropriate to remove or mitigate the constraints.

5. *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).)*

Farmworkers: The element must quantify and analyze the housing needs of farmworkers. While the element includes a general discussion, it must still include complete information to guide an appropriate analysis. Specifically, the element must identify and analyze farmworkers in the City using local data and include county and regional data for seasonal and permanent farmworkers (e.g., USDA data).

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 address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials.

Programs HE-1.10 (Monitor Funding Sources), HE-3.4 (Water Sewer Priority), HE-6.3 (Residential Sites Inventory) should be revised to provide discrete timing to account for how often the action will occur as well as to ensure a beneficial impact throughout the planning period

Programs 1.3 (Project Based Section 8), 1.6 (Facilitate Relationships between developers and Community-Based Organizations), 2.4 (Collaborate with Cities, Counties, and Agencies) should be revised to address discrete timeframes of outreach and collaboration and clarify how often the City will reach out to developers and stakeholders.

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 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:

The element indicates that several sites will require rezoning and that rezoning is expected to occur prior to the start of the planning period (October 15, 2021). Please be aware, if rezonings are not completed by the date, the element must include a program(s) to identify sites with appropriate zoning to accommodate the regional housing need within the planning period. (Gov. Code, § 65583.2, subd. (h) and (i).)

The program(s) must commit to:

- permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to 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.
- accommodate a minimum of 16 units per site;
- require a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - allow 100 percent residential use, and
 - require residential use occupy 50 percent of the total floor area of a mixed-use project.

Emergency Shelters: While the element includes Program HE-2.3 to amend the zoning code to comply with SB 2, the program must also address the parking standards adhere to the new zoning requirements (Gov. Code, § 65583, subd. (a)(4)(A)).

Employee Housing Act: While program HE-3.7 was added to the element to comply with the Employee Housing Act, the program should be more specific and reference Health and Safety Code sections 17021.5 and 17021.6.

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).)*

While the element includes Program HE-1-11 to address extremely low income which commits to working with developers to identify funding for housing affordable to extremely low -income households, it does not provide specific actions the city will take to assist in the development of housing for ELI households. In addition, the element must include programs to address the housing needs of special needs populations including seniors, large households, farmworkers, female headed households, homeless, and persons with disabilities including developmental disabilities. Program actions could include prioritizing some funding for housing developments affordable to ELI households and special needs population and offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units, permanent supportive housing to address the identified housing needs for ELI households. 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>.

As noted in Finding B1, the element identifies a need to address overcrowding (page 4). The element must include programs to address the identified need. For example, programs could include assistance with site identification and entitlement processing, fee waivers and deferrals, modifying development standards and granting concessions and incentives for projects that provided housing with three or more bedrooms affordable to lower-income households. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/large-families-female-head-household.shtml>.

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 Finding B3, the element requires a complete analysis of potential governmental 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.

Group Homes: The element must be revised to include a program to amend the zoning and procedures for group homes for 7 or more residents.

Sites Identified in Multiple Planning Periods: The element must include a program for vacant sites identified in two of more consecutive planning periods' housing elements or non-vacant sites identified in a prior housing element, that are currently identified to accommodate housing for lower-income households. The program must be implemented within the first three years of the planning period and commit to zone for the following:

- sites must meet the density requirements for housing for lower-income households, and
- allow by-right approval for housing developments that include 20 percent or more of its units affordable to lower-income households (Gov. Code, § 65583.2, subd. (c).).

SB 35 Streamlined Ministerial Approval Process: The element must include a program to adhere to the SB 35 Streamlined Ministerial Approval Process for development projects that meet specific 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 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 mentioned in Finding B1, programs throughout the element should be revised to address enhancing housing mobility strategies; encouraging development of new affordable housing in high resource areas; improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing; and protecting existing residents from displacement.

6. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

The element identifies 701 units at-risk of converting to market-rate units in the planning period. Therefore, the element must include a program(s) with specific and proactive actions to preserve the at-risk units. For example, the program could support applications by nonprofits for funding to purchase at-risk units, work with owners to ensure tenants receive proper notifications, strengthen relationships with the listed nonprofits and develop a plan or strategy for quickly moving forward in the case units are noticed to convert to market-rate uses in the planning period, and consider pursuing funding on at least an annual basis. The program could also commit to contacting non-profits immediately to develop a preservation strategy by a date certain and be ready to quickly act when notice of conversion is received and monitoring the units to ensure tenants receive proper notifications. For additional information and a sample program, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/assisted-housing-developments.shtml>.

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).)

Include quantified objectives estimating the number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period. This requirement could be addressed by utilizing a matrix like the one illustrated below:

Income	New Construction	Rehabilitation	Conservation/ Preservation
Extremely Low-			
Very Low-			
Low-			
Moderate-			
Above Moderate-			
TOTAL			

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 summary of the public participation process (Technical Background Report 5), it must also summarize the public comments and describe how they were considered and incorporated into the element. The element references an Appendix B which contains this summary, but it was not included in the housing element received for HCD review.

In addition, HCD understands the City did not make sections of the element available to the public prior to submittal to HCD. These sections are Appendix B and the Affirmatively Furthering Fair Housing analysis. By not providing an opportunity for the public to review and comment on a draft of the element in advance of submission to HCD, 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 the course of 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. This includes a description of when and where the draft was made available and how public comment was incorporated into the analysis. 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 making revisions to the document where appropriate. In addition, HCD reviewed third-party comments as part of this review. These comments will be provided to the City under a separate cover and should be considered as part of the revised element. HCD's future review will consider the extent to which the revised element documents were circulated and 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.