

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



August 9, 2023

Christie Alarcon, Director
Community Development Department
City of Lompoc
100 Civic Center Plaza
Lompoc, CA 93436

Dear Christie Alarcon:

RE: City of Lompoc's 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the City of Lompoc's (City) draft housing element received for review on May 11, 2023, along with revisions received on July 14, 2023. 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 21, 2023 with you, Brian Halvorson, Planning Manager, and Ryan Lester, Ryan Russell, and Leeza Segal, Consultants. In addition, HCD considered comments from David Kellogg pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

As a reminder, the City's 6th cycle housing element was due February 15, 2023. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City failed to adopt a compliant housing element within 120 days of the statutory deadline (February 15, 2023), any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA) must 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). 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 all necessary rezones are completed pursuant to Government Code section 65583, subdivision (c)(1)(A) and Government Code section 65583.2, subdivision (c).

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. 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.

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 program, 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: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the hard work and dedication you and Brian Halvorson, Planning Manager, 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 Clare Blackwell, of our staff, at Clare.Blackwell@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF LOMPOC

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 <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. 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).)*

A1.1 **Outreach and Enforcement**: The element indicates that the City received a high number of fair housing complaints, particularly related to disability, but should include additional analysis of this data, if possible, to determine if any differences in geographies exist within the City. The analysis could also evaluate results from any fair housing testing or local knowledge from the fair housing service provider to obtain insight into local trends of fair housing complaints. If specific geographic information is not available, the element should revise Programs H-A.11 and H-A.18 to target areas of lower income and areas with relatively higher risk of displacement.

A1.2 In addition, while the element addresses compliance with some fair housing laws, it should address compliance with additional fair housing laws, including but not limited to Density Bonus Law, Housing Accountability Act and No-Net-Loss Law. HCD will send additional information under separate cover.

A1.3 **Disproportionate Housing Needs**: While the element provides information on homelessness, including patterns of need and disproportionate impacts on race and disability, it should also provide analysis on access to opportunities, including services and transportation. Based on a complete analysis the element should add or modify programs and include geographic targeting to identified areas of higher need.

A1.4 **Contributing Factors**: Upon a complete analysis of fair housing, the element should re-assess contributing factors and make revisions, as appropriate.

2. *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).)

A2.1 Progress in Meeting the Regional Housing Need Allocation (RHNA): The element may utilize constructed, approved and pending development toward the RHNA. However, the element must demonstrate the affordability and availability of these developments in the planning period, as follows:

- *Affordability*: While the element correctly explains affordability should be based on actual or anticipated rents or sales prices and other mechanisms ensuring affordability (e.g., deed restrictions), it should list the actual mechanism for each of the listed developments with housing assumed to be affordable to lower- and moderate-income households. For example, the element lists 26 units in River Terrace affordable to lower-income households but should also list the actual or anticipated rent or sales prices or other mechanism that ensures affordability. Absent this information these units will be deemed inadequate to accommodate lower-and moderate-income households.

A2.2 *Availability*: The element lists developments by status and estimated building permit issuance but should also discuss any phasing, anticipated build-out horizons beyond the planning period and any known barriers to development in the planning period. This analysis should particularly address larger developments (e.g., greater than 100 units) that are pending or approved.

A2.3

- *Monitoring and Alternative Actions*: Given the degree of reliance on constructed, approved and pending projects to accommodate the RHNA, the element must include a program that commits to (1) facilitating development in the planning period (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals) and (2) monitoring of development progress, including rezoning or identification of additional sites, if necessary to maintain adequate sites to accommodate the RHNA, by a specified date.

A2.4 Sites Inventory: While the sites inventory identifies sites used in the 5th cycle element, it should clarify which vacant sites, if any, were also used in the 4th cycle element.

A2.5 In addition, the element utilizes sites with existing residential uses. While the element states that none of the identified sites with existing residential uses currently include lower-income restricted units, it should clarify whether any of the sites with existing residential uses were subject to affordability agreements for lower-income households within 5 years preceding the beginning of the planning period. If so, the housing element must include a program to provide replacement housing. (Gov. Code, § 65583.2, subd. (g)(3).)

- A2.6 Realistic Capacity: When calculating realistic residential capacity, the element must account for various factors, including land use controls, site improvements and recent trends by affordability. While the element does list recent developments by affordability and built density, it also assumes 100 percent of maximum allowable densities in residential zones despite a small sample size of recent developments and some developments occurring at less than 100 percent maximum allowable densities. The element should adjust residential capacity assumptions to better reflect recent trends. Further, by adjusting assumptions, the City will be better positioned to manage No Net Loss law pursuant to Government Code section 65863.
- A2.7 In addition, while the element states that half of the current projects in nonresidential zones are 100 percent residential, it must address whether 100 percent nonresidential are allowed in these zones (e.g., mixed-use, commercial, old town commercial), and if so, account for the likelihood of 100 percent nonresidential uses in this zone in the capacity assumptions. For example, the element could analyze all development activity in the pertinent zones, how often residential development occurs, and whether any incentives for residential development in these zones exist. Depending on the results of a complete analysis, the element may need to adjust residential capacity calculation, policies, and programs accordingly. The element should include an analysis based on factors such as development trends, performance standards, or other relevant factors.
- A2.8 Suitability of Nonvacant Sites: While the element describes recent development on nonvacant sites and lists sites by indicators of redevelopment potential (e.g., age of structure, improvement to land value ratio. However, the element should evaluate those trends relative to the indicators of redevelopment potential. For example, the descriptions of prior existing uses for recent development could include the age of structure, prior improvement to land value ratio and prior existing versus allowable floor area ratio (for nonresidential uses). In addition, the element should further discuss the extent existing uses impede additional development and likelihood uses will discontinue in the planning period. For example, the element could expand the discussion of parking lots, commercial and office and residential uses relative to identified sites. For example, for residential uses, the element could discuss how past trends have redevelopment ratios ranging from 1 to 2 and 1 to 5 for existing versus allowable residential uses and generally how identified sites far exceed those ratios. For parking lot and commercial and office uses, the element could engage the development community to assist the likelihood of turnover or expand the discussion of representative sites to better describe indicators of turnover of uses in the planning period.
- A2.9 In addition, the element relies upon several sites with existing single-family residential uses. The element should describe anticipated development of Sites 46, 64, 68, and 79 and add a program to address potential displacement as a result of development on these sites. The program could commit to adopting relocation requirements, “just cause” protections, or first right of return for existing residents. For more displacement protection strategies, please refer to page 74 of the AFFH guidebook (link: https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf).

- A2.10 Further, the element states that the school district has expressed an intent to develop workforce housing on Site 69. However, the City should add a program to provide incentives and outline a schedule of actions to facilitate housing development on this site. Actions should include outreach with developers, issuing requests for proposals, anticipated completion of entitlements and issuance of building permits and alternative actions if the sites do not progress toward completion as anticipated.
- A2.11 Finally, as noted in the housing element, the sites inventory relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower income households. As a result, the City must make findings, based on substantial evidence, that existing uses will likely discontinue in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings (e.g., adoption resolution), the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.
- A2.12 Small Sites: While the element includes Program H-A.12 to facilitate lot consolidation and mentions most sites necessitating consolidation are under common ownership, it also significantly relies on consolidation to accommodate lower-income RHNA. For example, almost 80 percent of the capacity identified to accommodate the lower-income RHNA is on sites necessitating consolidation. As a result, small sites are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households based on past trends and comparability of size and affordability or other evidence. To address this requirement, the element should list and evaluate past consolidations by the number of units, number of parcels, affordability, presence of common ownership and relate that listing to identified sites. Otherwise, the element must utilize other evidence such as an analysis of circumstances and conditions leading to potential for consolidation which may include common ownership, cohesive parcels, shared ingress and egress of a cohesive site, lack of ingress and egress or shape or size of an individual parcel that necessitates consolidation. Based on the outcomes of this analysis, the element must add or modify programs to promote consolidation, including significant incentives, monitoring, evaluation of effectiveness and adjustment, as appropriate.
- A2.13 Infrastructure: The element includes some discussion on electrical and gas utility providers in the City. However, it must also demonstrate sufficient total dry utilities capacity (existing and planned) to accommodate the RHNA and include programs if necessary.
- A2.14 Environmental Constraints: The element states that the City evaluated identified sites and concluded that there are no overlays or known easements on the identified sites. However, the analysis should also address whether the City considered lot shape, property conditions, contamination or any other known conditions precluding development in the planning period.

A2.15 Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

A2.16

- *Emergency Shelters*: The element states that the City does not have sufficient capacity, under current zoning, to accommodate the need for emergency shelters. However, the element must still identify adequate sites and demonstrate the appropriateness of these sites to accommodate emergency shelters. In addition, the element must provide analysis of any adopted written objective standards for potential governmental constraints.

In addition, Program H-A.8 should specify actions necessary to comply with AB 2339 requirements, including rezoning and amending the City's Emergency Shelter definition, and commit to rezoning within one year of adoption.

A2.17

- *Single Room Occupancy (SRO) Units*: While the element briefly states that the zoning code is not a constraint to the development of SROs, development is subject to a conditional use permit (CUP) permit process, which has not been fully analyzed. The element must still analyze the CUP permit process for its impact on housing supply and choice and approval certainty and objectivity in the development of SROs.

3. *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).)*

A3.1 Land Use Controls: The element includes a brief discussion of some of the development standards listed in Table C-3 and their effect as potential constraints on a variety of housing types. However, the analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to heights and open space requirements, and impacts on achieving maximum allowable densities.

A3.2 Fees and Exaction: The element lists required fees for development but must analyze all fees for their impact as potential constraints on housing supply and affordability. For example, the analysis could identify the total amount of fees and their proportion to the development costs for both single family and multifamily housing and analyze surrounding jurisdictions' total fees to better assess the impact of fees on residential development.

B. Housing Programs

1. *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).)*

B1.1 As noted in Finding A2, 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:

- *Program H-A.20 (Available Sites Inventory):* As noted above, since the City failed to adopt a compliant housing element within 120 of the statutory deadline, action (c) must commit to rezoning within one year of the statutory deadline.

B1.2

- *Programs H-A.13 (Mixed-use Development), H-A.15 (Bailey Avenue Corridor), and H-A.19 (Missing Middle Housing):* These Programs should be revised with more specific commitment toward housing outcomes and remove ambiguous commitment such as “if needed” and “as necessary.”

B1.3

- *Program H-A.14 (Accessory Dwelling Units (ADU)):* The Program should commit to monitor production and affordability of ADUs at least two times in the planning period and take appropriate action such as adjusting assumptions or rezoning within a specified time period (e.g., 6 months).

B1.4 In addition, the City's ADU Ordinance will be evaluated by the ADU team, pursuant to Government Code section 65852, subdivision (h). HCD will provide findings on its review under separate cover. The Program should commit to update the ordinance, if necessary.

2. *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).)

- B2.1 As noted in Finding A3, 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 and address and remove or mitigate any identified constraints. In addition, the element should be revised, as follows:
- *Program H-A.8 (Municipal Code Updates)*: The Program commits to permit group homes for seven or more persons in all residential zones with objectivity and approval certainty. However, the Program should also commit to permit these uses similar to other residential uses of the same type in the same zone.
- B2.2
- *Program H-A.5 (Development Review Process Monitoring)*: The Program should commit to revise review processes as appropriate based on monitoring to insure processes do not constrain development. In addition, the Program should specifically commit to conduct a mid-term evaluation of the Architectural Design and Site Development Review and Architectural Review Guidelines and revise the process as necessary to promote objectivity and approval certainty.
3. *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... (Gov. Code, § 65583, subd. (c)(5).)*

- B3.1 As noted in Finding A1, the element requires a complete analysis of affirmatively Furthering Fair Housing (AFFH). Depending upon the results of that analysis, the City may need to revise or add programs. In addition, 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, milestones, geographic targeting and metrics or numerical targets and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity or relatively higher income areas, place-based strategies for community preservation and revitalization and displacement protection.

C. 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)(9).)

- C1.1 While the City describes public participation efforts through workshops and surveys, the City should employ additional methods for public outreach efforts in future iterations of the housing element, 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 <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/public-participation>.