

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

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March 4, 2024

Dustin Reif, City Manager
City of Dunsmuir
5915 Dunsmuir Avenue
Dunsmuir, CA 96025

Dear Dustin Reif:

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

Thank you for submitting the City of Dunsmuir's (City) draft housing element received for review on December 6, 2023 along with revisions received on February 27, 2024. The revisions were made available to the public for seven days prior to review by the California Department of Housing and Community Development (HCD). HCD is reporting the results of its review pursuant to Government Code section 65585.

The draft element, including revisions, addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq), as follows:

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).)*

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).)

Local Data and Knowledge and Other Relevant Factors: With factors such as a smaller population and census tract extending well beyond the City limits, the state and federal data is influenced by demographic information beyond the City limits. For these and other reasons, the analysis of fair housing should particularly utilize local data and knowledge and other relevant factors to better understand any local patterns or differences or lack of differences from neighborhood to neighborhood. Local data and knowledge and other relevant factors should be used across all of the fair housing analysis components (e.g., segregation and integration, disparities in access to opportunity and

disproportionate housing needs). Examples of local data and knowledge include information from City officials (e.g., planners, code enforcement, civil engineers, local legislators), past surveys and assessments, infrastructure investments to inform capital improvement plans, data used for applications for funding, service providers, developers, school representatives, regional planners, service districts and other sources. For example, City officials and service providers could better inform any local patterns or differences in neighborhood conditions. Examples of other relevant factors include land use, zoning, development patterns, state and federal investment, physical or social barriers and access to schools (e.g., safe routes to school), community amenities, facilities and programs. For example, the element could discuss any differences between neighborhoods that might have been influenced by the highway. HCD will send an analysis guide to assist the City with this analysis.

Contributing Factors: Based on the outcome of a complete analysis, the element should reassess and prioritize contributing factors to fair housing issues and prioritize those factors and then formulate appropriate policies and programs.

Programs: As noted above, the element requires a complete affirmatively furthering fair housing (AFFH) analysis. Depending upon the results of that analysis, the City may need to revise or add programs. 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, address housing mobility enhancement (housing choices and affordability across geographies), new housing choices and affordability in higher opportunity or income areas (throughout the City), place-based strategies for community preservation and revitalization, and displacement protection.

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).)*

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).)

Extremely Low-Income (ELI) Households: While the element includes some basic information about ELI households, given the unique and disproportionate needs of ELI households, the element must include analysis to better formulate policies and programs. For example, the element could analyze trends, cost burden, overcrowding and other household characteristics then examine the effectiveness of policies and resources to determine gaps in housing needs. For additional information, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs>.

Housing Conditions: While the element includes an estimate of housing conditions based on the age of the housing stock, some older housing stock may be well maintained and in good condition. The element should expand on this estimate and utilize local knowledge (e.g., City officials) to estimate the number of units in need of rehabilitation and replacement and add or modify programs, as appropriate.

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).)*

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... (Gov. Code, § 65583, subd. (c)(1).)

Parcel Inventory: While the element identifies sites by various factors such as size, general plan designation, zoning and realistic capacity, it should also list sites by existing use and anticipated affordability (e.g., lower-income, moderate, above-moderate)

Availability of Infrastructure: The element generally discusses water and sewer capacity but should clarify whether sufficient total capacity is existing or planned to accommodate the regional housing need allocation (RHNA). Based on the outcomes of this analysis, the element should add or modify programs to address any identified constraints.

Environmental Constraints: While the element generally describes environmental conditions within the City, it should describe any other known constraints within the City that could impact housing development in the planning period. Examples of other conditions include shape, property conditions and easements.

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.

Programs: As noted above, 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 is not clear whether sites identified in prior planning periods are being utilized toward the lower income RHNA. The element should clarify whether sites were identified in one or two prior planning period. If sites were identified in prior planning periods, then the element should include a program to rezone and permit housing developments with 20 percent affordability by-right (without discretionary action) at appropriate densities pursuant to Government Code section 65583.2, subdivision (c)).

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... ..and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

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... (Gov. Code, § 65583, subd. (c)(3).)

Land Use Controls: The element must identify and analyze all relevant land use controls as potential constraints on housing cost, supply (number of units) and ability to achieve maximum densities. The element lists development standards but should also analyze those development standards. For example, the element could seek input from the development community or utilize a hypothetical project to demonstrate the appropriateness of land use controls. The analysis should specifically address heights for multifamily uses and clarify whether three story structures are allowed. Based on the outcomes of a complete analysis, the element should add or modify programs to mitigate or remove any identified constraints.

Local Processing and Permit Procedures: While the element includes information about processing times, it should also describe the procedures for a typical single family and multifamily development. The analysis should address the approval body, design review requirements, the number of public hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing cost, supply, timing and approval certainty. For example, the element should identify and analyze approval findings for impacts on approval certainty, the presence of processes or guidelines to promote certainty and add or modify programs as appropriate.

Housing for Persons with Disabilities: The element briefly the new zoning ordinance describes the process for granting reasonable accommodation in zoning and land use. However, the element must describe its reasonable accommodation procedures, including the process and decision-making criteria such as approval findings and analyze any potential constraints on housing for persons with disabilities.

Program: As noted above, 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.

In addition, Program HE.4.2.2 (Group Homes) indicates that group homes for seven or more persons with state licensing will only be permitted in some residential zones and subject to a conditional use permit (CUP). The Program should address the CUP requirement as a constraint and clarify that group homes will be permitted in all zones (regardless of licensing) allowing residential uses similar to other residential uses of the same type in the same zone.

5. *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).)*

Program HE.2.1.1 (Outreach and Community Awareness): The Program should include proactive outreach to affordable housing developers to identify development opportunities at least every other year.

Program HE.2.3.1 (Density Bonus): The Program should include discrete timing for amending the density bonus ordinance. For example, the element could commit to amend the ordinance within six months of reporting needed amendments to the Planning Commission.

6. *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 new construction and rehabilitation by income group for extremely low-, very low-, low-, moderate- and above-moderate income, it must also include quantified objectives for conservation by income group. Examples of activities include weatherization, code enforcement, energy conservation, mobile home park preservation and fair housing education and enforcement.

7. *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).)*

The element describes the public participation effort, including various comments and input but should also discuss how that input was incorporated into the element.

The element will meet the statutory requirements of State Housing Element Law once it has been revised, adopted, submitted, and reviewed by HCD to comply with the above requirements pursuant to Government Code section 65585.

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), if the City does not adopt a compliant housing element within 120 days of the statutory deadline (February 15, 2023), then any rezoning to make prior identified sites available or accommodate the RHNA shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). Please be aware, if rezoning is necessary to make prior identified sites available, as described above, the element cannot be found in compliance until rezoning is complete since its been passed one year from the statutory deadline.

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 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 commitment and responsiveness 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 Shawn Danino, of our staff, at Shawn.Danino@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager