

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

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September 10, 2021

Lisa Kim, Community and Economic Development Director
Planning Services Division
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

Dear Lisa Kim:

RE: Review of the City of Garden Grove's 6th Cycle (2019-2021) Draft Housing Element

Thank you for submitting the City of Garden Grove's (City) 6th cycle draft housing element received for review on July 14, 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 September 8, 2021 with you; Chris Chung, Urban Planner; Lee Marino, Planning Services Division Manager; and Maria Parra, Senior Planner. In addition, HCD considered comments from the Kennedy Commission and Roy English 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 these, and other revisions needed to comply with State Housing Element Law.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2021 for Southern California Association of Governments (SCAG) localities. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the County 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.

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. 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. 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.

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.

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 Mashal Ayobi, of our staff, at Mashal.Ayobi@hcd.ca.gov or (916) 776-7421.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is written in a cursive, flowing style.

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF GARDEN GROVE

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). For example, quantify how many people the shelter served or how many referrals were made to Regional Center of Orange County pursuant to Program 10.

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing (AFFH) 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)).*

The element has some basic information racial segregation, racial and ethnically concentrated areas of poverty, and include maps of the TCAC opportunity areas at a local level. However, the element generally does not address this requirement. The element, among other things, must include outreach, an assessment of fair housing, identification, and prioritization of contributing factors to fair housing issues and goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity. This information must be provided both at the local level compared at the regional level and be informed by regional and local data and knowledge from stakeholders within the City. For more information, please contact HCD and visit <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

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).)

The City has a regional housing needs allocation (RHNA) of 19,168 housing units, of which 6,967 are for lower-income households. To address this need, the element relies on a mix of vacant and significantly underutilized sites. 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 must clarify conflicting data on Tables 12-31 and 12-32. For example, Table 12-32 states 896 units approved to extremely- and very low-income and 38 units to low-income categories, but Table 12-31 shows 41 units to very low-, 359 units to lo-w, 124 units to moderate-, and 436 units to above moderate-income categories.

Sites Inventory: Appendix B (Sites Inventory) states that there is no infrastructure capacity on these sites. HCD understands that this is an error. The sites inventory must clarify whether infrastructure including dry utilities is available for these parcels.

Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory, it must also provide support for these assumptions. For sites in zones that allow nonresidential uses, the element needs to analyze the likelihood that the identified units will be developed as noted in the inventory. This analysis should consider the likelihood of nonresidential development, performance standards, and development trends supporting residential development.

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. To address this requirement, the element describes in general the existing use of each nonvacant site for example "commercial" or "shopping center". This alone is not adequate to demonstrate the potential for redevelopment in the planning period. The description of existing uses should be sufficiently detailed to facilitate an analysis demonstrating the potential for additional development in the planning period. In addition, the element needs to also analyze the extent that existing uses may impede additional residential development. For example, the element includes sites identified as single-family residents, religious institutions, a culinary school, an adult daycare and senior center, but no analysis was provided to demonstrate whether these existing uses would impede development of these sites within the planning period. The element can summarize past experiences converting existing uses to higher density residential development, include current market demand for the existing use, provide analysis of existing leases or contracts that would perpetuate the existing use or prevent additional residential development and include current information on development trends and market conditions in the City and relate those trends to the sites identified. The element could also consider indicators such as age and condition of the existing structure expressed developer interest, low improvement to land value ratio, and other factors. In addition, some of the sites are identified as civic facilities. There must be discussion and analysis on whether the City has plans to redevelop these sites or plans to sell the property if owned by the

City, and how the jurisdiction will comply with the Surplus Land Act (Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5).

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).

Accessory Dwelling Units (ADU): The element assumes an average of 436 ADUs per year will be constructed during the planning period, for a total of 3,618 ADUs. The element's analysis and programs do not support this assumption. Specifically, in addition to other methods, HCD accepts the use of trends in ADU construction since January 2018 to estimate new production. Based on past production between 2018 to 2020, the City is averaging about 144 ADUs per year. To support assumptions for ADUs in the planning period, the element could reduce the number of ADUs assumed per year or reconcile trends with HCD records, including additional information such as more recent permitted units and inquiries, resources and incentives, other relevant factors and modify policies and programs as appropriate. The element should support its ADU assumptions based on the number of ADU permits issued, not the number of ADU applications. The element must also commit to monitor ADU production throughout the course of the planning period and implement additional actions if not meeting target numbers anticipated in the housing element. In addition to monitoring production, this program should also monitor affordability. Additional actions, if necessary, should be taken in a timely manner (e.g., within 6 months). Finally, if necessary, the degree of additional actions should be in stride with the degree of the gap in production and affordability. For example, if actual production and affordability of ADUs is far from anticipated trends, then rezoning or something similar would be an appropriate action. If actual production and affordability is near anticipated trends, then measures like outreach and marketing might be more appropriate.

Environmental Constraints: Per third party comments, some of the sites are currently and have been used for decades for metal recycling and auto repairs, so the soil is probably very polluted with lead and other heavy metals. The element must describe and analyze environmental constraints that may impede the development of housing within the planning period on these sites, specifically the provision of housing affordable to lower-income housing.

Sites with Zoning for a Variety of Housing Types:

Emergency Shelters: While the element notes emergency shelters are allowed in the M-1 zone, it must demonstrate the City still has sufficient capacity to accommodate the identified housing need for emergency shelters and evaluate the available acreage for characteristics like parcel size or potential redevelopment or reuse opportunities, proximity to services and describe development standards.

Transitional & Supportive Housing: The element does not adequately address requirements for transitional housing and supportive housing. Pursuant to Senate Bill 2 (Chapter 633, Statutes of 2007), 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. The element must demonstrate consistency with these statutory requirements and include a program as appropriate.

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. 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).)*

Development Standards: The element must identify and analyze all relevant land-use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobile homes, transitional housing). The analysis must also evaluate the cumulative impacts of land-use controls on the cost and supply of housing, including the ability to achieve maximum densities and the capacity assumed in the housing element sites inventory. In particular, the element should analyze the limitation that only 50 percent of the building area in a multifamily development may be three stories and the one-story requirement within 20 feet of a R-1 zone property and requirements for the provision of outdoor recreational and leisure area. The analysis should describe past or current efforts to remove identified governmental constraints, and the element should include programs to address or remove the identified constraints.

Local Processing and Permit Procedures: The element generally describes the discretionary permitting process for multifamily development (p. 12-41). The element must analyze the process as a potential constraint on housing supply and affordability. The analysis should identify findings of approval and their potential impact on development approval certainty, timing, and cost. In particular, the element must evaluate the following review criteria:

- complying with the spirit and intent of applicable provisions, conditions, and requirements
- compatibility with the physical, functional, and visual quality of the neighboring uses
- desirable neighborhood characteristics and planning and design
- attain an attractive environment for the occupants of the property

The element must demonstrate this process is not a constraint, or it must include a program to address and remove or mitigate constraints to the approval of multifamily development related to these requirements.

Constraints on Housing for Persons with Disabilities: While the element makes reference to reasonable accommodation for persons with disabilities, it does not provide any information on the City's reasonable accommodation procedure. The element should describe the City's reasonable accommodation procedure, including how requests are made and processed, and any approval findings. In addition, the element details that residential care facilities serving six or fewer persons are permitted in all residential zones. However, residential care facilities serving seven or more persons require a Conditional Use Permit (CUP). The element should analyze the process as a potential constraint on housing for persons with disabilities and add or modify programs as appropriate to ensure zoning permits group homes objectively with approval certainty.

4. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality's planning for the development of housing for all income levels and the construction of that housing. (Gov. Code, § 65583, subd. (a)(6).)*

The element must be revised to include analysis of requests to develop housing at densities below those anticipated, and the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially hinder the construction of a locality's share of the regional housing need. Page 12-34 lists the requirement but does not provide analysis.

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).)*

While the element quantifies the City's special needs populations, it must also analyze their special housing needs. For a complete analysis of each population group, the element should discuss challenges faced by the population, the existing resources to meet those needs (e.g., availability of senior housing units, number of large units, number of deed restricted units, etc.), an assessment of any gaps in resources, and proposed policies, programs, and funding to help address those gaps. Additionally, the

element must include an estimate of the number of persons experiencing homelessness based upon the most recent from Point in Time (PIT) 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 to be revised include the following:

Program 9 (Accessory Dwelling Units): The program must include specific timeframes for the preparation of pre-approved plans, the development of promotional materials, and when the city will consider the establishment of the ADU amnesty program.

Program 10 (Density Bonus): Provide a specific timeline for review and evaluation with specific actions.

Program 11 (Inclusionary Housing Ordinance): Provide a specific timeframe for the consideration and evaluation of the development of inclusionary housing ordinance.

Program 22 (Affordable Housing Overlay): Provide a specific timeframe for the consideration and adoption of an affordable housing overlay.

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 (SRO) units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B2, 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. The element indicates that sites will require rezoning and general plan amendments which is expected to occur prior to the start of the planning period (October 15, 2021) (page 12-78). Please be aware, if rezonings are not completed by that 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).)

Program 8 (Residential Sites Inventory and Monitoring of No Net Loss): The program should be amended to commit to amending the City's sites inventory if a shortfall is identified pursuant to Government Code section 65863.

Nonvacant Sites Reliance to Accommodate RHNA: As the element relies upon nonvacant sites to accommodate the regional housing need for lower-income households, it should include a program(s) to promote residential development affordable to lower-income housing on these sites. The program could commit to provide financial assistance, regulatory concessions such as a streamlined permit processing, or incentives including the adoption of an affordable housing overlay pursuant to Program 22 to encourage and facilitate new, or more intense, residential development on the sites. In addition, the element could amend Program 12 to monitor development on sites in the mixed-use zone as it relates to the provision of housing affordable to lower-income households and commit provision of additional actions as necessary to facilitate development.

- 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 programs to assist in the development of very low-, low-, and moderate-income households, it must also include a program(s) to assist in the development of housing affordable extremely low-income (ELI) households. Programs must be revised or added to the element to assist in the development of housing for ELI households. For example, Program 13 in the element could describe what the City will do to encourage developers to include ELI units with wraparound services. In addition, the element states that the City is working with the owners of the Tamerlane Dr. property (p.12-63) to preserve at-risk units. Program 7 could be updated to reflect these efforts.

- 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 Findings B3 and B4, 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.

Program 14 (Parking Standards): The element identified the City's parking standards as a potential constraint to development. The element must include specific commitments to mitigate or remove constraints with specific timelines.

5. *Promote AFFH 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).)*

The element must be revised to add or modify goals and actions based on the outcomes of a complete analysis as noted in Finding B1. 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 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 example, Program 1 (Housing Rehabilitation) can target or prioritize grants in lower or moderate-resourced neighborhoods, or Program 17 (Zoning Code Update) could be amended to include relocation and protections for those long-term tenants in SRO or motels which could be displaced if converted to permanent housing.

D. 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 (p. 12-6 to 12-10, Appendix C), it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element should be revised to discuss outreach to lower-income and special needs groups during the public participation efforts, solicitation efforts for survey responses, and participation in community workshops. HCD reviewed third-party comments as part of this review. These should be considered as part of the revised element. In addition, the element should also summarize the public comments and describe how they were considered and incorporated into the element. 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 made the element available to the public only two weeks prior to its submittal to HCD. 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 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. 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. 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.