



## Housing Policy and Practices Advisory Group

### Summary of Meeting

September 17, 2015  
10:00 am – 3:00 pm

#### Attendance

SCAG –Huasha Liu  
ABAG – Dwayne Bay  
APA – Barbara Kautz  
League of California Cities – Betsy Strauss  
Local Government Representative – Leighann Moffitt (Sacramento County)  
Local Government Representative – Colby Cataldi (Orange County)  
Public Interest Law Project – Mike Rawson  
California Rural Legal Assistance – Ilene Jacobs  
Kennedy Commission – Cesar Covarrubias  
NPH – Michael Lane  
CTCAC – Mark Stivers  
Senate Transportation and Housing Committee – Alison Dinmore  
Assembly Housing and Community Development – Rebecca Rabovsky  
Committee  
HCD – Lisa Bates, Deputy Director, Housing Policy  
Glen Campora, Assistant Deputy, Housing Policy  
Melinda Coy, Specialist  
Autumn Bernstein, Facilitator

#### Agenda Items

#### **Follow-Up from August 4<sup>th</sup> Meeting**

##### Public Participation

The public participation discussion was focused on what constitutes, or is sufficient to provide a “diligent effort” in the process of stakeholder notification and involvement in the preparation of a housing element. Advisory Group ultimately decided to set up a sub-committee to develop guidance.

##### Discussion:

- If a “safe harbor” is established could be considered a minimum threshold.
- The committee would develop better standards, but jurisdictions would still have discretion.
- Concern that there would not be any difference for those jurisdictions that are not doing a diligent effort because there are several examples on the building blocks that jurisdictions are currently not using.

- Must design something that doesn't affect jurisdictions that are currently doing a good job in public participation, but could encourage other jurisdictions.

### Housing Element Implementation

*There was significant discussion regarding the amendment of statute to grant HCD additional authority to provide technical assistance, monitoring of housing element implementation, and evaluation of progress in meeting RHNA, use of density bonus, and other planning. No decision was reached.*

#### Discussion:

- Some jurisdictions do a good job when they write and approve housing elements, but the document may sit for years and nothing happens.
- HCD is trying to provide more TA in implementation but without express authority it becomes more difficult to get the necessary resources.
- HCD should have more regulatory enforcement with providing more technical assistance throughout the housing element process.
- The objective is to help jurisdictions accomplish goals.
- HCD could provide support to staff and cover for electives for rezones and specific affordable housing projects due to the sometimes strong opposition from citizen groups

#### *What should be done moving forward?*

#### Comments:

- Should make it easier for jurisdictions to construct housing. Local jurisdictions are under great pressure by residents not to build.
- HCD should be coordinating w/OPR, etc. to maximize CEQA exemptions, and coordinate activities that would assist jurisdictions in developing housing.
- 375/SCS implementation could integrate planning implementation w/incentives (e.g., OBAG funds)
- HCD needs to engage to help locals implement and work w/community organizers
- Possible idea of CEQA exemptions or by-right affordable housing on sites identified in the element.
- Could look at Massachusetts 34B law as a model for different ways in which to help building occur.
- Will continue this broader discussion at a future meeting.

### **Sites Inventory – Suitability of Sites to Accommodate RHNA**

Staff presented issue memo relating to challenges in demonstrating the development potential on non-vacant sites, nonresidential sites, and sites that can accommodate only a small amount of units. These challenges have led to criticism that the sites inventories do not

adequately demonstrate potential for the development of housing leading to under-planning for housing need. In addition, because suitability of sites is situational, local governments have expressed confusion on how to determine when a non-vacant site has the potential for redevelopment within the planning period.

Discussion:

### Non-vacant Sites

- It is hard to predict what will happen with a site over a longer time horizon. Market is constantly changing.
- Because of the market downturn, it is too soon to be modifying the statute relating to non-vacant sites. Need more information to adequately evaluate requirement.
- Statute already requires detailed analysis. Concern that adding additional criteria will make the housing element process harder.
- Need research on what happened in those jurisdictions that identified non-vacant sites. ABAG is doing some research in this area. Standardizing APR's to get accurate information on what is getting built is important
- Commercial/non-residential sites should indicate owner intent.
- Emphasis should be on the sites that are the most likely to be developed. Some sites included are the ones that are politically viable, not necessarily the best sites for development.
- Should encourage jurisdictions to create larger pool of possible sites as solution for no-net loss
- HCD should create "brighter line" for making determination on sites
  - Could create standards to clarify
  - Some "safe harbor" incentives include:
    - Ministerial approval
    - CEQA streamlining
    - Reduced parking requirement

### Small Sites

- Many communities cannot accommodate 16 units on a site due to site constraints.
- CTCAC rarely sees projects below 20 units and the average for 9% deal is around 60 units
- Location is a factor (small sites in rural areas may be more feasible than small sites in urban).
- Small sites need more justification

Next Steps:

Proposal A to establish a subcommittee on this topic was agreed upon. Subcommittee would look to provide guidance on factors that can help determine whether a non-vacant or small site can be a realistic opportunity for development of housing, especially for lower-income households.

## **Sites Inventory - Zoning to Accommodate the Development of Housing Affordable to Lower-Income Households**

Staff presented report on current challenges when looking at density provisions in the statute including unintended consequences as well as misunderstandings of the law have caused controversy and debate at all levels of government.

### Discussion

- Density is not working, but currently no alternative proxy is available.
- Locals would prefer to keep safe harbor density option rather than reverting to everyone doing the analysis.
- No-net-loss law only looks at capacity not affordability, therefore no provision for sites identified to lower-income households lost to market rate.
  - Alternative could be that if a jurisdiction approves project and can continue to meet RHNA objective, then jurisdiction is fine but if not, then approve by-right on all other sites at density – plus flexibility by allowing existing units (preservation, rehab)
- Also look at affordable housing overlays to incentives building affordable on sites with increased densities.

### Next Steps

Proposal A to establish a subcommittee on this topic was agreed upon. Subcommittee would look at the density issues relating to the analysis for zoning appropriate for lower-income; propose some alternative solutions to make this section of the statute more effective.