

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

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August 6, 2009

Mr. Andrew Britton  
Planning Services Manager  
Community Development Department  
City of Lakeport  
255 Park Street  
Lakeport, CA 95453

Dear Mr. Britton:

**RE: Review of the City of Lakeport's Draft Housing Element**

Thank you for submitting the City of Lakeport's draft housing element received for review on June 8, 2009, along with revisions received on July 28 and August 4, 2009. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on July 16, 2009 with you and Ms. Beth Thompson, Housing Consultant, facilitated the review.

The Department applauds the City's approval of the Avalon Cottages (18 very low- and low-income homeowner units), and creation of a Mixed-Use District. The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element should include a complete analysis of identified sites and governmental constraints. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates your cooperation and assistance throughout the course of the review and is committed to assist Lakeport in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Paul McDougall, of our staff, at (916) 322-7995.

Sincerely,

Cathy E. Creswell  
Deputy Director

Enclosure

## APPENDIX CITY OF LAKEPORT

The following changes would bring Lakeport'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 the Department's website at [www.hcd.ca.gov/hpd](http://www.hcd.ca.gov/hpd). Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at [www.hcd.ca.gov/hpd/housing\\_element2/index.php](http://www.hcd.ca.gov/hpd/housing_element2/index.php), the Government Code addressing State housing element law and other resources.

### **A. Housing Needs, Resources, and Constraints**

1. *Analyze 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 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) (Section 65583(a)(5)).*

Land-Use Controls: The element identifies various residential development standards (page 5-6); however, it must also analyze the cumulative impacts of development standards on the affordability, cost and supply of housing and the ability to achieve maximum densities. Sample analyses are available at [http://www.hcd.ca.gov/hpd/housing\\_element2/CON\\_landuse.php](http://www.hcd.ca.gov/hpd/housing_element2/CON_landuse.php).

Local Processing and Permit Procedures: While the element briefly describes various processing procedures and typical processing times for residential development (page 5-7), it should include a description and analysis of typical processing procedures for multifamily and mixed-use development including approval findings and their impact on timing, cost and applicant certainty. Specifically, the analysis should describe and analyze decision-making criteria, including required findings, and public notice and hearings. For further information, refer to the *Building Blocks'* website at [http://www.hcd.ca.gov/hpd/housing\\_element2/CON\\_permits.php](http://www.hcd.ca.gov/hpd/housing_element2/CON_permits.php).

Fees and Exactions: The element lists and analyzes some impact fees (pages 5-10 and 5-11); however, it should also list and analyze total planning and impact fees for typical single- and multi-family developments, including the effect or proportion of these fees on development costs. Please refer to the *Building Blocks'* website for sample analyses at [http://www.hcd.ca.gov/hpd/housing\\_element2/CON\\_fees.php](http://www.hcd.ca.gov/hpd/housing_element2/CON_fees.php).

Building Codes and Enforcement: The element must identify and analyze any local amendments to the building code for impacts on the cost and supply of housing. For further information, refer to the *Building Blocks*' website at [http://wwwstage.hcd.ca.gov/hpd/housing\\_element/CON\\_offsite.php](http://wwwstage.hcd.ca.gov/hpd/housing_element/CON_offsite.php).

## **B. Housing Programs**

1. *Describe the amount and uses of fund in the redevelopment agency's Low and Moderate Income Housing Fund (Section 65583(c)).*

While the element estimates the amount of funds in the Low and Moderate Income Housing Fund (LMIHF) for the period from 2009 to 2014 and generally describes planned uses (page 5-28), it should also describe the estimated amounts of these funds relative to programs in the element (Programs 1-3, 2-3, and 3-4). In addition, for your information, Section 33413(b)(4) requires a redevelopment implementation plan to be consistent with a community's housing element. The integration of applicable information from the redevelopment agency's current housing implementation plan into the housing element will assist in the development of an effective housing element. Additional information is available on the *Building Blocks*' website at [http://www.hcd.ca.gov/hpd/housing\\_element2/OR\\_lowmod.php](http://www.hcd.ca.gov/hpd/housing_element2/OR_lowmod.php).

2. *The housing element shall contain programs which "assist in the development of adequate housing to meet the needs of extremely low-, low- and moderate-income households (Section 65583(c)(2)).*

While the element includes some programs to assist in the development of very low-, low-, and moderate-income households, pursuant to Chapter 891, Statutes of 2006 (AB 2634), existing programs should either be expanded or new programs added to specifically assist in the development of a variety of housing types to meet the housing needs of extremely low-income (ELI) households. To address this requirement, the element could revise programs to prioritize some funding for the development of housing affordable to ELI households, and/or offer financial incentives or regulatory concessions to encourage the development of housing types, such as single-room occupancy units, which address the needs of this income group. To assist with these efforts, refer to the Department's *Financial Assistance Program Directory* available at [http://www.hcd.ca.gov/fa/LG\\_program\\_directory.pdf](http://www.hcd.ca.gov/fa/LG_program_directory.pdf).

3. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding A1, 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.

**C. For Your Information**

The City is considering an inclusionary ordinance (Program 2-1). Please be aware, if the City adopts an inclusionary ordinance, the element should be amended to evaluate the requirement for potential impacts on the cost and supply of housing and ensure the requirement does not act as a constraint on new development. This analysis is particularly important given current market conditions and the cumulative impact of local regulations. For example, among other things, the evaluation should address whether sufficient regulatory and financial incentives are offered to facilitate compliance with the requirements. The City could engage the development community to facilitate this analysis.