



September 29, 2021

State Department of Housing and Community Development
C/O Land Use and Planning Unit
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
HousingElements@hcd.ca.gov

RE: Submission of City of Azusa Revised Draft 2021-2029 Housing Element

The City of Azusa is pleased to submit to HCD a revised Draft 2021-2029 Housing Element, responding to comments received from the Department, and looks forward to receiving a report of findings pursuant to Government Code Sections 65585(b)(1) and 65585(b)(3).

The City of Azusa is committed to working with HCD to ensure that this Housing Element complies with State Housing Element law, and thanks you for the direction provided in meetings with HCD staff member, Colin Cross. Significant additional analysis, information, and program actions have been added to address comments provided in the September 3, 2021 letter from your Department. A matrix of HCD comments and the City's responses/revisions to the Housing Element is included here to facilitate your review. Also included is a clean version of the Housing Element and a tracked changes version.

Azusa engaged Moore, Iacofano, Goltsman, Inc. (MIG) to prepare the 2021-2029 Housing Element. If you have questions while you complete your review, please contact me (734-709-0042; genevieves@migcom.com) or Manuel Munoz, City of Azusa Planning Manager (626-812-5226; mmunoz@azusaca.gov).

Sincerely,

Genevieve Sharrow
Project Manager, MIG

HCD Questions/Comments from August 10,2021 Letter	Response
<p>A. Review and Revision 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).</p>	<p>Added to Previous Accomplishments Chapter (Chapter 6, page H6-2): Through program implementation during the 2014-2021 planning period, the City of Azusa has made considerable progress in addressing the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers and persons experiencing homelessness).</p> <p>The City allocated HOME and CDBG funds to support single family rehabilitation projects throughout the planning period, significantly exceeding objectives (Program 1). Of the 91 projects completed, 40 supported female-headed households and 56 households included elderly or disabled residents.¹ Projects included exterior and interior paint, electrical upgrades, new plumbing, installation of new windows, doors, and roofing, and ADA-compliant handrails to support physically disabled households. Program 4 allocated funds toward street and sidewalk improvements in low- and moderate-income neighborhoods, including Act (ADA)-compliant installation of curb ramps that improve mobility and enhance paths of travel for disabled and senior adults. CDBG funds also supported ADA-accessibility improvements at the Azusa Main Library; converting the existing restroom facilities to multi-use ADA accessible Men’s and Women’s restrooms. Through implementation of Program 19, the City developed provisions for reasonable accommodation procedures to provide fair access to housing for persons with disabilities. The City continues to refine this policy to ensure it is clear and implemented consistently. As such, as of 2021, the City is reviewing and reassessing these procedures and will revise accordingly to promote equal housing opportunity.</p> <p>To address the needs of seniors, the City has reduced standards for senior housing developments. In response, the Gladstone Senior Villas was constructed in 2020, with 60 units (six of which are reserved for low-income seniors).</p> <p>To support the needs of persons experiencing homelessness, the City adopted a policy to decriminalize homelessness, respect the rights of homeless individuals, and direct individuals to services. The Azusa Library established the Neighborhood Connections program, which provides residents with information about employment, housing, health care, education, citizenship, family and senior services, and access to food. Based in the library, the program is supported by a community resource specialist, part-time social workers, and master’s level social work interns who maintain a community resource guide and make referrals and provide follow up with clients, to local resources, including to the homeless Coordinated Entry System. In 2018, the City adopted a <i>Plan to Prevent and Combat Homelessness</i>, which identifies specific actions to implement the plan’s goals, including ongoing coordination, increased outreach workers from Union Station Homeless Services, and an expanded Neighborhood Connections program.</p> <p>Table H-6.1 outlines the City’s progress toward meeting objectives identified in the 2014-2021 Housing Element. Following the evaluation table Table H-6.1, Table H-6.2 summarizes the-quantified objective performance-is summarized.</p>

¹ The numbers sum to more than 100% because some households were both female-headed or elderly/disabled.

HCD Questions/Comments from August 10,2021 Letter	Response
<p>B. Housing Needs, Resources, and Constraints 1. <i>Affirmatively further[ing] fair housing (AFFH)</i></p>	
<p>Fair Housing Enforcement & Outreach: The element relies on the 2018 Analysis of Impediments (AI) to Fair Housing Choice for the Los Angeles County Development Authority and Housing Authority of the County of Los Angeles, and provides certain data at the regional level, but does not examine the City’s capacity for fair housing enforcement and outreach in the same manner. The element must include the City’s ability to provide enforcement and outreach capacity, which can consist of actions such as the City’s ability to investigate complaints, obtain remedies, or the City’s ability to engage in fair housing testing.</p>	<p>The AFFH section has been comprehensively revised. Key revisions include additional information drawing from the AFFH Data Viewer, maps, and analysis.</p> <p>Regarding Fair Housing Enforcement & Outreach, the following additional information is added to Constraints Chapter (Chapter 4, Page H4-43):</p> <p><u>The City of Azusa directs residents with fair housing complaints to the HRC and includes HRC contact information on the City’s website.</u></p> <p>...</p> <p><u>Local Fair Housing Enforcement and Outreach</u> <u>The HCD AFFH Data viewer provides additional information on local fair housing enforcement and outreach. Fair housing inquiries data from the U.S. Department of Housing and Urban Development (HUD) indicates that from 2013 to 2021, there were 21 inquiries originating from residents in Azusa, which is equivalent to 0.42 inquiries per 1,000 residents (see Figure H-4.1). The basis for complaints is only available for three of the inquiries; in these three cases the basis for the complaint was based on race or sex.</u></p> <p><u>Compared with surrounding jurisdictions, the number of inquiries per thousand residents is generally higher in Azusa. Bradbury (0.00), Monrovia (0.10), Duarte (0.14), and Glendora (0.09) have two to three times lower the level of inquiries to that of Azusa; however, Azusa’s proportion of renters is significantly higher than in these jurisdictions.</u></p>
<p>Integration and Segregation: The element includes dissimilarity indices for Los Angeles County but does not provide any data or analysis regarding segregation by race and ethnicity for the City itself. The element must also analyze segregation and integration of familial status, income, and persons with disabilities locally and</p>	<p>Regarding Integration and Segregation, the following sections are added to Constraints Chapter (Chapter 4, Page H4-45 through H4-52):</p> <p><u>Azusa is racially and ethnically diverse. Hispanic (64 percent) and White (19 percent) residents make up the majority of the City’s population, followed by Asian/Pacific Islander (14 percent) and Black (3 percent). Since 2010, the portion of the population that is Asian in Azusa has increased by five percentage points, while the Hispanic population has decreased by four percentage points. The Black and White proportions of the population in Azusa have remained the same since 2010. However, segregation data shows that the Los Angeles region has moderate and high levels of segregation between racial and ethnic groups and is not as integrated when compared to Azusa.</u></p> <p>...</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>regionally complemented by data and concluding with a summary of issues.</p>	<p><u>Since dissimilarity index data are not available for Azusa, visualizing the distribution of non-white residents can identify any possible concentrations of non-white people in the city. Figure H-4.2 shows the distribution of non-white residents in Azusa based on 2018 block group data from HUD’s AFFH Data Viewer. The majority of the city is comprised of block groups where 91 percent or more of the population is non-white. Areas in northern Azusa have 61 to 80 percent non-white residents. There is one block group in the far northeast area of the city with a lower proportion (38 percent) of non-white residents.</u></p> <p><u>This block group contains the Azusa Pacific University and the Citrus Community College and is likely reflecting the demographics of the student population enrolled in these schools. Azusa differs slightly when compared to other foothill communities, such as Sierra Madre, Pasadena, and Glendora where the foothill areas have proportions of non-white residents at 40 percent or less.</u></p> <p><u>Persons with Disabilities</u></p> <p><u>There are 4,126 residents with a disability in Azusa, representing 8.4 percent of residents. The majority of residents with a disability are 75 years or older (58 percent), followed by those 65 to 74 years (20 percent). The most commonly occurring disability amongst seniors 65 and older is an ambulatory disability, experienced by 21 percent of Azusa’s seniors. In Azusa, the proportion of the population with a disability living in poverty (17.7 percent) is higher than those without a disability (14.8 percent). Figure H-4.3 shows the population of persons with a disability by Census tract in the city using American Community Survey data from 2015-2019. At a regional level, Azusa is similar to the rest of the county in that almost all of the census tracts have less than 10 percent of their population living with a disability. There is one census tract with a slightly higher concentration (20 percent) of people with a disability, which is located directly south of Foothill Boulevard between Irwindale Avenue and San Gabriel Avenue.</u></p> <p><u>Familial Status</u></p> <p><u>Single-parent households require special consideration and assistance because of the greater need for day care, health care, and other services. In particular, female-headed households with children tend to have lower incomes and a greater need for affordable housing and accessible daycare and other supportive services. There are 2,390 female-headed family households in Azusa, representing 19 percent of households. A total of 18 percent of female-headed family households live in poverty. Figures H-4.4 and H-4.5 show the percent of children in married-couple households in the region and the percent of children in female-headed households (no spouse/partner) using ACS data from 2015-2019. The majority of census tracts have 60-80 percent of children living in married couple households and with one census tract having 80 percent or greater of married-couple households. Most of the census tracts in Azusa have proportions of 40 percent or less of children living in female-headed households. Azusa’s familial status demographics are similar to those of Arcadia, Glendora, and Sierra Madre, but with slightly higher rates of female-headed households.</u></p>

HCD Questions/Comments from August 10,2021 Letter	Response
	<p><u>Income Level</u></p> <p><u>According to the 2019 American Community Survey, the median household income for Azusa was \$68,216, which is somewhat lower than that of the County of Los Angeles median household income of \$72,797. Median household income differs significantly by tenure; owner households in Azusa earn double what renter households make. Census data estimates that 15 percent of residents live in poverty, as defined by federal guidelines. This proportion is similar to that of the County of Los Angeles where 16 percent of residents live in poverty.</u></p> <p><u>Figure H-4.6 shows that most of the city has a median income between \$55,000 and \$87,000. There are a three Census block groups that have a median income of between \$30,000 and \$55,000. Some of these areas are located in close proximity to the Azusa Pacific University and could reflect the local student population. Two additional block groups, near Downtown and near Base Line Road on the eastern end of the city, have median household incomes of less than \$30,000. Figure H-4.7 shows that the majority of the city has 210 percent or less of residents living below the poverty level, with portions of the city having up to 20 percent of residents in poverty. One area shows 20 to 30 percent poverty; however, this is likely reflective of the local student population.</u></p> <p>The following figures are also added to the revised Draft Housing Element:</p> <p><u>Figure H-4.2: Racial Demographics (page H4-47)</u></p> <p><u>Figure H-4.3: Percent of Population with a Disability (page H4-49)</u></p> <p><u>Figure H-4.4: Percent of Children in Married-Couple Households (page H4-50)</u></p> <p><u>Figure H-4.5: Percent of Children in Female-Headed Households No Spouse/Partner (page H4-51)</u></p> <p><u>Figure H-4.6: Median Income (page H4-52)</u></p> <p><u>Figure H-4.7: Poverty Status (page H4-53)</u></p>
<p>Racially/Ethnically Concentrated Areas of Poverty (R/ECAP): The element confirms that there are no R/ECAPs in the City but does not provide any analysis of R/ECAPs at the regional level. In addition, the element should also analyze any racially concentrated areas of affluence (RCAAs), if applicable, at both the local and regional</p>	<p>Regarding R/ECAPs and RCAAs, the following information is added to Constraints Chapter (Chapter 4, page 4-54):</p> <p><u>No R/ECAPs are identified in the City of Azusa. The closest R/CAPs are located 11 miles southwest in the cities of El Monte and South El Monte. This finding is supported by the HCD AFFH data viewer.</u></p> <p><u>Racially Concentrated Areas of Affluence</u></p> <p><u>Racially or Ethnically Concentrated Areas of Affluence (RCAAs) are generally understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household income rates. In Azusa, there are no significant concentrations of White</u></p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>levels. The analysis should evaluate patterns and changes over time and consider other relevant factors, such as public participation, past policies, practices, and investments and demographic trends.</p>	<p>households and high household incomes. The one Census tract with 38 percent nonwhite population borders and includes area within the City of Glendora; however, this tract shows a median income that is less than the median income for the State (\$87,100).</p>
<p>Access to Opportunity: The element must analyze local and regional disparities in access to opportunity through local, federal, and/or state data. The element currently refers to a single composite index from the 2018 Analysis of Impediments (AI) and lists the City’s score on this index without providing additional analysis. This is not sufficient to address this requirement. A complete analysis should address educational, economic, transportation, and environmental scores at the local and regional level, and describe any factors that are unique to Azusa in those regards.</p>	<p>Regarding access to opportunity and disparities, the following sections are added to Constraints Chapter (Chapter 4, page 4-57):</p> <p>Within the Urban County, the lowest opportunity area index values are in Central Los Angeles and to the southeast, near Westmont and Lynwood. Census tracts in the highest category of opportunity (those with values from 70.1 to 80), can be found scattered throughout the peripheries of the county including east of the county near Glendora and San Dimas. The City of Azusa was identified to be in a moderate opportunity area (scoring 50 to 70).</p> <p>Similar efforts have been undertaken by the Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (TCAC) to evaluate access to opportunity by producing annual opportunity maps using a similar methodology and data found in the AI. The maps illustrate an overall composite score derived from characteristics grouped into three main categories: economic, environmental, and educational. The composite score ranges from low to highest resources, with low resources indicating less access to opportunity and high resources indicating greater access to opportunity. The TCAC/HCD Opportunity Maps are intended to display the areas that offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. The primary function of TCAC is to oversee the Low-Income Housing Tax Credit (LIHTC) Program, which provides funding to developers of affordable rental housing. The opportunity maps play a critical role in shaping the future distribution of affordable housing in areas with the highest opportunity.The Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (TCAC) have also coordinated efforts to produce opportunity maps that evaluate specific economic, environmental and educational characteristics that have been shown by research to support positive economic, educational, and health outcomes for low income families. The In 2021 TCAC maps show that a majority of Azusa is identified as “moderate” resource. Moderate resources areas are located in the northwestern part of the city and in a few central areas. The city also has areas of low and high resources. Low resource areas are located in the southwestern parts of the city, where there are large areas of industrial uses. The high resource areas are situated in the northeastern parts of the city and include the Azusa Pacific University and APU/Citrus College transit station are located. areas within Azusa are identified generally as low resource (central and western areas) and moderate resource (eastern and northern areas). See Figure H 4.1: Areas of Opportunity Map.</p>
<p>Disproportionate Housing Needs: A complete analysis of disproportionate</p>	<p>The Disproportionate Housing Needs section is modified to add additional local information and analysis in the Constraints Chapter (Chapter 4, pages H4-56 through H4-62):</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>housing needs should address cost burden, overcrowding, substandard housing, homelessness, and displacement risk. The element includes information on displacement risk but does not address the remaining categories of analysis.</p>	<p><u>In addition to the analysis presented in the AI, the disproportionate housing need analysis prepared for this housing element uses the AFFH Data Viewer to visualize areas in Azusa experiencing cost burden, overcrowding, and environmental justice.</u></p> <p><u>Cost Burden</u></p> <p><u>State and federal standards specify that households spending more than 30 percent of gross annual income on housing experience a housing cost burden. When a household spends more than 30 percent of its income on housing costs, it has less disposable income for other necessities such as health care In Azusa, 44 percent of households are overpaying for housing. Lower income households have a higher rate of overpayment (68 percent of lower income households are overpaying), especially lower income renter households, of which 76 percent are experiencing a housing cost burden.</u></p> <p><u>Figures H-4.9 and H-4.10 show cost burden (overpayment) for homeowners and for renters. Compared with the surrounding areas, Azusa has similar levels of cost burden for homeowners with all parts of the city experiencing cost burden for 20 to 60 percent of homeowners. For renters, all areas of the city show cost burden for 40 to 60 percent of renter households except for a few areas. The Census tracts south of Gladstone Street and one Census tract near Downtown Azusa show 60 percent or greater of renter households overpaying for housing.</u></p> <p><u>Overcrowding</u></p> <p><u>In response to a mismatch between household income and housing costs in a community, some households may not be able to buy or rent housing that provides a reasonable level of privacy and space. According to both California and federal standards, a housing unit is considered overcrowded if it is occupied by more than one person per room (excluding kitchens, bathrooms, and halls). In Azusa, 13 percent of housing units are overcrowded. Overcrowding is more prevalent in rental households than owner households. Azusa experiences slightly more overcrowding than Los Angeles County at large, where 11 percent of households are overcrowded.</u></p> <p><u>Figure H-4.11 shows that overcrowding is the most severe in the central areas of Azusa between Foothill Boulevard and I-210 and the area just south of Gladstone Street. In these areas, 20 to 30 percent of households are overcrowded. The areas with the least overcrowding are in the foothills and are also areas where there are slightly lower renter households as shown by Figure H-4.13.</u></p> <p><u>Environmental Justice</u></p> <p><u>The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution called the California Communities Environmental Health Screening Tool (CalEnviroScreen). In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also takes into consideration socioeconomic factors. These factors include educational attainment, linguistic isolation, poverty, and unemployment. Research</u></p>

HCD Questions/Comments from August 10,2021 Letter	Response
	<p>has shown a heightened vulnerability of people of certain ethnicities and lower socioeconomic status to environmental pollutants. Figure H-4.12 shows CalEnviroScreen results for Azusa. Areas in Central Azusa score in the top 25 percent for pollution and health burdens and also have concentrations of lower income households. Major industrial uses such as the Azusa Quarry as well as the location of the I-210 freeway through this area are some of the contributing pollution factors. Consistent with SB 1000 requirements to add a new Environmental Justice Element to General Plans, this topic will be further explored, along with implementation actions to address findings, through the comprehensive General Plan update process that will begin in 2022.</p> <p><u>Displacement Risk</u></p> <p>Figure H-4.13 shows high renter concentrations in central Azusa, where 40-80 percent of households are renter occupied.</p> <p>These areas also correspond with slightly lower median incomes of around \$55,000 making these areas somewhat susceptible to displacement due to the combination of lower median income and high proportion of renters. State housing law requires an inventory and analysis of government-assisted dwelling units eligible for conversion from lower income housing to market rate housing during the next ten years. Reasons for this conversion may include expiration of subsidies, mortgage pre-payments or pay-offs, and concurrent expiration of affordability restrictions. The California Housing Partnership (CHP) provides data on assisted housing units and assesses the level of risk to converting to market rate. These data identify homes without a known overlapping subsidy that would extend affordability beyond the indicated timeframe and unless otherwise noted are not owned by a large/stable non-profit, mission-driven developer. In the next 10 years, 178 units of affordable housing are at-risk of converting to market rate housing. Projects at risk include Villa Azusa Senior Apartments (30 units) and Alost Gardens (23 units). In addition, Azusa Park Apartments (88 units) affordability covenants expired in 2020; however, the City has not received any notifications from the property owner regarding conversion to market rate housing.</p> <p>The following figures are also added to the revised Draft Housing Element:</p> <p>Figure H-4.9: Overpayment by Homeowners (page H4-59)</p> <p>Figure H-4.10: Overpayment by Renters (page H4-60)</p> <p>Figure H-4.11: Overcrowded Households (page H4-62)</p> <p>Figure H-4.12: CalEnviroScreen (page H4-63)</p> <p>Figure H-4.13: Percent of Households in Renter-Occupied Housing Units (page H4-64)</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>Contributing Factors: The element lists and prioritizes contributing factors to fair housing issues, the majority of which come directly from the 2018 AI. The contributing factors identified must be drawn from a complete analysis, which the element does not contain. Pending the results of a complete analysis, the element should add, remove, or modify contributing factors. Additionally, contributing factors should be few in number and local in nature, so as to identify the most important fair housing issues the City can address. The list of contributing factors should be culled to contain only the most salient factors that are unique to Azusa.</p>	<p>The Contributing Factors component of the AFFH analysis was significantly modified to contain the contributing factors most pertinent for Azusa, in Constraints Chapter (Chapter 4, pages H4-66 through 69):</p> <p>The 2018 AI provides a prioritization of these contributing factors based on the The prioritization of these contributing factors relates to the ability of the LACDA and HACO LA to address the fair housing issues. A low priority does not diminish the importance of the factor in the Urban County or HACO LA service areas but reflects the priority in addressing issues of fair housing.</p> <p>However, not all of these contributing factors are likely present in Azusa. Based on the analysis prepared using the AFFH Data Viewer Tool, the contributing factors most applicable to the city of Azusa are those related to disproportionate housing needs. The following specific impediments/contributing factors are included in the 2018 AI <u>and only those most applicable to Azusa are listed below.</u>²</p> <ul style="list-style-type: none"> • High Priority Contributing Factors: <ul style="list-style-type: none"> ○ Lack of affordable housing in a range of sizes ○ Lack of sufficient accessible housing in a range of unit sizes ○ Lack of information on affordable housing ○ Lack of resources and services for working families (e.g., helping find housing for minorities)
<p>Site Inventory: The element includes a map of the site inventory and states that the proposed sites are geographically distributed in a manner that AFFH (p. H-5-20). This alone is not adequate to satisfy the requirement that the site inventory AFFH. The site inventory analysis should address how the sites are identified to improve conditions (or if sites exacerbate conditions, how a program can mitigate the impact) and should be supported by local data and knowledge. Sites should be evaluated with</p>	<p>The Sites Inventory AFFH analysis is modified to address how the sites are identified to be equitably distributed and to improve conditions. See additional analysis in Constraints Chapter (Chapter 4 pages H4-65 through H4-66):</p> <p><u>Sites Inventory</u></p> <p><u>State law requires that for housing elements due on or after January 1, 2021, sites must be identified throughout the community in a manner that affirmatively furthers fair housing opportunities (Government Code Section 65583[c][10]). “Affirmatively furthering fair housing” means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity. Figure H-5.2 (in the Housing Resources Chapter) shows the sites inventory to address the City’s RHNA for 2021-2029, overlaid with TCAC areas of opportunity. State law correlates higher density sites with the ability to provide lower-income housing. As such, the majority of the lower income RHNA sites are located in the Azusa TOD Specific Plan area (which has no density limit) and on religious institution land, where churches are allowed to add housing. These sites combined have a capacity for 1,542 housing units. The distribution of lower income RHNA sites improves fair housing and equal opportunity conditions in Azusa because sites are mostly distributed in moderate resources areas and not lower resource areas. This is positive, considering that these represent locations where new higher-density housing can be provided and residents will have access to good</u></p>

² For more detail, please visit: <https://www.lacda.org/programs/community-development-block-grant/plans-and-reports/assessment-of-fair-housing>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>respect to each of the four categories of analysis in the Assessment of Fair Housing (AFH) (e.g., Segregation & Integration, R/ECAPs, Access to Opportunity, and Disproportionate Housing Needs).</p>	<p>schools, diverse jobs, and distant from industrial use. These areas are also not concentrated in existing low poverty areas and since Azusa is predominately comprised of a non-white population there are no disparities in the distribution of sites amongst racial and ethnic groups. Additionally, Azusa has significant overcrowding issues, and the site inventory alleviates this burden by providing more affordable and accessible housing, particularly in the central areas of the City. As the TOD Specific Plan encourages additional development within the Downtown, residents will have even more access to services and retail, as well as existing resources including the local library, City Hall, and high-quality transit.</p>
<p>Goals, Priorities, Metrics, and Milestones: Goals and actions must significantly seek to overcome contributing factors to fair housing issues. Currently, the element identifies programs to encourage and promote affordable housing; however, most of these programs do not appear to facilitate any meaningful change nor address AFFH requirements. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results.</p>	<p>The Fair Housing Goals are revised to tailor the focus toward those contributing factors most relevant for Azusa; in Constraints Chapter (Chapter 4 page 4-65). In addition, Programs in the Housing Plan (Chapter 2) are crafted to integrate fair housing actions within a variety of programs, consistent with HCD guidance. For example, <i>Housing Mobility Strategies</i> are addressed in Program 2-3 to affirmatively market Housing Choice Vouchers in high opportunity areas and Program 3-1 (Adequate Sites) and Program 4-4 (Stacked Flats and Other Multi-family Housing) to develop multi-family housing opportunities. <i>New Housing Choices and Affordability in Areas of Opportunity</i> are addressed through the recently approved SB 9 legislation, Program 3-4 (ADUs), and Program 2-4 (Inclusionary Housing Ordinance), Program 1-1 (Residential Rehabilitation). <i>Place-based Strategies to Encourage Community Conservation and Revitalization</i> are addressed in Program 1-2 (Rental Housing Inspection), 1-3 (Neighborhood Improvement Zone), Program 1-4 (Preserve At-Risk Rental Housing), and Program 5-3 (Affirmatively Furthering Fair Housing) and Program 5-4 (Outreach Plan), especially pertaining to expanded access to community meetings and decision making. In addition, Program 5-3 (Affirmatively Furthering Fair Housing) is updated to add milestones and metrics and Program 5-5 (General Plan Update) is expanded as follows to <i>Protect Existing Residents From Displacement</i>: As part of a comprehensive update to the General Plan, update the Safety Element and adopt a new Environmental Justice Element to comply with State law. Explore Community benefit zoning and/or other land value recapture strategies as part of the General Plan update.</p>
<p>2. An inventory of land suitable and available for residential development</p>	
<p>Site Inventory: The element must identify the number of units by income category for each site. The element groups income categories together when identifying the realistic capacity for each site (Appendix B).</p>	<p>Appendix B is revised to identify the number of units by income category for each site; see Revised Tables H-B.1 through B.7 in Appendix B.</p>
<p>Realistic Capacity: While the element provides assumptions of buildout for sites</p>	<p>Realistic capacity assumptions were revised to tie directly to development trends. See revisions throughout the Resources Chapter (Chapter 5).</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>included in the inventory, it must also provide support for these assumptions. For example, the element currently assumes 80% buildout for vacant residential sites in the LDR, MDR, and MODR zones, stating that this is a conservative estimate based on the densities of most residential developments in those zones. This statement alone is not adequate to support the assumption of 80% buildout. A complete analysis should demonstrate what specific trends, factors, and other evidence led to the assumptions; this should include but is not limited to evidence of recent developments that reflect the trends being used. The estimate of the number of units for each site may need to be adjusted as necessary, based on the land-use controls and site improvements, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.</p>	<p>On page H5-7: State law requires that jurisdictions demonstrate in the Housing Element that the land inventory is adequate to accommodate that jurisdiction’s share of the region’s projected growth. Vacant, uncommitted land in residential zones throughout the city was identified, totaling 4.18 acres. Assuming site constraints and development standards may limit development, a conservative estimate of 80 percent of maximum density was utilized for residential sites, resulting in an estimated capacity of 34<u>Generally, most development in residential zones occurs at or near maximum densities. As a fully built-out community, there is very little remaining vacant land in the city. A review of recent housing development on vacant land in Azusa shows only one residential project in recent years (2018-2021) was proposed on vacant land outside of the Downtown TOD Specific Plan area. The project (573-577 E. Arrow Highway in the Arrow Highway Corridor zone) had a maximum allowable density of 27 du/ac. The project was approved at 22.72 du/ac, equivalent to 84 percent of maximum density. Two other projects outside of the TOD Specific Plan area were constructed on nonvacant lots during this time; both of these achieved higher densities (24 and 25 du/ac, respectively). Using the lowest density example as a conservative approach, 84 percent of the maximum density was utilized to calculate realistic capacity for vacant residential sites, resulting in an estimated capacity of 36</u> new dwelling units on vacant residential lots (Table H-5.4).</p> <p>In addition to vacant sites, up to 112<u>121</u> future housing units can be accommodated on underutilized residential lots developed at less than the maximum permitted density (Table H-5.5). <u>Based on recent development trends, 84 percent of maximum density was utilized to calculate realistic capacity for nonvacant residential sites.</u></p> <p>On page 5-10: The potential for development of residential units in mixed-use areas is predicated on the interest from developers and on the limited opportunities for higher-density development elsewhere in the immediate surrounding areas. <u>The Housing Element assumes development would realistically occur at 20 units per acre for housing in mixed-use zones, slightly less than the average density for mixed-use projects currently in the pipeline. This is equivalent to 85 percent of the average capacity for mixed-use sites and will also account for the possibility of commercial development or individual site constraints on unique parcels.</u></p>
<p>For sites in zones that allow nonresidential uses, the element also needs to analyze the likelihood that the identified units will be developed as noted in the inventory. This analysis should consider the likelihood of</p>	<p>Additional analysis is included in the Resources Chapter (Chapter 5) to show the likelihood that identified units will be developed as noted in the inventory.</p> <p>In addition to these vacant sites, there are also a number of underutilized properties along the major corridors that allow mixed use. The sites chosen are significantly underutilized given their size, <u>age of structure,</u> and location.<u>The following are underutilized given the development potential under the mixed use development standards. All of the sites with existing residential uses provide the opportunity to more than</u></p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>nonresidential development, performance standards, and development trends supporting residential development.</p>	<p><u>double the unit capacity. Other</u> criteria was used<u>that were applied</u> to further identify underutilized parcels in mixed-use zones<u>within the TOD Specific Plan area:</u></p> <ul style="list-style-type: none"> • Improvement value is less than half of the land value • Structure was built prior to 1990 (and therefore over 30 years of age) • Potential for lot consolidation • General characteristics such as declining uses, low existing Floor Area Ratio (FAR), etc. • Location near recent mixed-use or residential development activities on properties exhibiting similar characteristics • Expressed interests from property owners or developers <p>Appendix B was also modified to provide additional detail regarding existing uses and the criteria applicable to that site in identifying it as underutilized.</p> <p>In addition, a new section on Mixed-Use Development Trends is added to the Housing Resources Chapter (Chapter 5; page 5-15 through 5-17.</p>
<p>For small sites in the Azusa Transit Oriented Development Specific Plan (TODSP), the element assumes a density of 52 dwelling units per acre (du/ac). This assumption does not appear to be in line with the trends provided. Small sites of one-half acre or less are demonstrated in the element to have an average density of 28 du/ac (pp. H-5-13 – 14); the element raises this average by including a .80-acre site at 128 du/ac which does not fit the definition of small sites found in statute. The realistic capacity assumption for small sites in the TODSP should be adjusted to reflect the trends in that area.</p>	<p>The small and large sites densities were recalculated using 0.5 acres as the threshold, consistent with HCD guidance; revisions are included on page H5-15 and below:</p> <p>The estimated realistic capacity for sites in the Azusa TOD Specific Plan area is based on allowed uses and recent development trends. Since the Specific Plan does not define minimum or maximum densities, the site inventory analysis calculated the realistic capacity based on the average density and acreage of the approved projects listed in Table H-5. 1011. There is variation in the densities achieved for smaller projects (<u>less than 0.5 acres</u>) and larger projects; (<u>greater than 0.5 acres</u>); the average densities for smaller sites are generally lower than densities achieved on larger sites. Recent projects on large sites (<u>greater than 0.5 acres</u>) have an average density of 89<u>102</u> du/acre and current proposed projects are seeking densities as high as 128 du/acre. Small projects have an average density of 52 du/acre. To account for site-specific constraints, the Housing Element assumes 80 percent of these averages as a realistic but conservative method for calculating the capacity of identified sites.<u>28 du/acre</u>. Due to the range in potential densities, the Specific Plan has the capacity to accommodate a range of housing types for all income levels. Large sites (that are more than 0.5 acres) are identified as most appropriate to accommodate lower-income housing. Sites smaller than one-half acre<u>0.5 acres</u> are identified as suitable to accommodate moderate and above moderate-income households. <u>A conservative estimate of 85 percent of the average density for large and small sites has been applied to account for the possibility of commercial development or any individual site constraints on unique parcels.</u></p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>Suitability of Nonvacant Sites: The element relies on nonvacant sites and demonstrates their suitability using a variety of factors, including expressed interest from property owners or developers, age of structure, and improvement value to land value ratios. Additional clarification is needed regarding factors used and what thresholds were used to determine viability of sites. For example, low floor area ratio (FAR) is considered, but the element does not indicate what threshold of FAR would have made a site suitable for redevelopment and how this factor relates to the suitability of nonvacant sites.</p>	<p>Criteria used to identify each site as underutilized is added to Appendix B on a parcel-specific basis. See Revised Tables H-B.1 through B.7 in Appendix B.</p>
<p>The element also does not describe the existing uses of these sites in detail. A complete analysis should account for the existing uses on these sites and whether those uses may pose an impediment to redevelopment. In particular, the element’s reliance on a high number of existing residential sites requires further support, such as evidence of existing trends in residential redevelopment, in order to demonstrate suitability.</p>	<p>More detailed information on existing uses was added to Appendix B on a parcel-specific basis; see Revised Tables H-B.1 through B.7 in Appendix B.</p> <p>Chapter 5, Housing Resources, was also revised to add additional detail on Mixed Use Development Trends and Redevelopment of Existing Uses (both residential and non-residential); see pages 5-15 through 5-18 and excerpts here:</p> <p><u>Redevelopment of Existing Residential Uses (Mixed-Use Zones and TOD Specific Plan)</u></p> <p><u>The City’s 2002 General Plan update sought to reverse previous standards and policies that segregate complimentary land uses and contribute to “dreary sprawl.” The General Plan aims to “repair the City’s damaged urban form and reverse the decline of neighborhoods and districts by applying the principles of New Urbanism (i.e., walkability, connectivity, mixed-use, traditional neighborhood structure, timeless architecture and human-scale urban design).” The City’s districts and corridors were updated to allow for flexibility and a mix of uses. In some of these locations, existing residential uses are common. The General Plan allows for additional capacity within these neighborhoods, corridors, and districts that are prime for additional density. Some of these are included in the sites inventory, some are proposed, and some have already been redeveloped. Table H-5.12 summarizes recent redevelopment of sites with existing residential uses to include additional housing units.</u></p>

HCD Questions/Comments from August 10,2021 Letter	Response
	<p><u>This summary does not include ADU development and indicates that development trends in Azusa are favorable to convert lower-density residential uses into higher density residential uses.</u></p> <p><u>Redevelopment of Existing Nonresidential Uses (Mixed-Use Zones and TOD Specific Plan)</u></p> <p><u>Where existing uses are nonresidential, the City has also seen significant redevelopment interest in recent years, which is anticipated to continue to grow as market trends support additional housing development. Nearly all redevelopment occurs on sites that at some point held a previous use, either recently or a more distant past with a building that had been demolished after it fell into disrepair. In June 2021, Azusa surveyed property owners included in the sites inventory; three property owners responded. All respondents had existing uses on their sites and were “very interested” in redevelopment with higher density residential uses. Uses on their properties included single-family residential, commercial retail/services, and industrial uses. All respondents were currently leasing to one or two tenants or did not have a current lease with tenants. Lease terms ranged from one year remaining to 5-10 years remaining on the lease. The City will continue to engage local property owners to discuss redevelopment opportunities on their properties.</u></p> <p>The City is soliciting property owners for sites included in the inventory to receive additional input. Property owners that have responded have reported to be “very interested” in redeveloping their property with higher density housing uses.</p>
<p>The element also relies on sites owned by religious institutions to satisfy a portion of the RHNA. Further support and analysis are needed to demonstrate the feasibility of these sites. For example, the element could describe whether property owners or developers have expressed any interest in these sites, how residential uses are compatible with underlying zoning, and what actions the City is taking to make such development more feasible.</p>	<p>Additional information is added to the Resources Chapter (Chapter 5, page 5-18):</p> <p>Land Owned by Religious Institutions</p> <p>Properties owned by faith-based organizations often have large, underutilized parking facilities. Recent State legislation has made it easier for religious institutions to build housing on these sites. AB 1851, <u>approved in September 2020</u>, eases parking requirements for a religious institution (or through partnership with a nonprofit developer) that seeks to build affordable housing on land they own or lease. The law allows religious institutions to build housing on underutilized parking lot areas and prohibits cities from requiring replacement of those parking spaces. However, no more than half of the available on-site parking spaces can be requested to be eliminated. <u>While the City has not yet seen any residential development on sites owned by religious institutions, there has been developer interest in building housing on one local church site. Other cities in the San Gabriel Valley have also seen increasing interest from developers for redeveloping housing on religious institution sites. West Covina approved a 19-unit gated housing project on a church site in 2013. The church sold off a portion of its 5.1-acre land that included a vacant elementary school to the developer Brandywine Homes. Baldwin Park has a preliminary application to construct townhomes on the site of a former church. As AB 1851 incentives become more broadly known, it is anticipated that interest will continue to rise. Currently, housing would be allowed on all church sites identified in the sites inventory based on the density allowed in that particular zone. Program H3-9 is included in the Housing Plan to articulate a zoning process to encourage housing on religious institution sites.</u></p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>Since the element relies on nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, the City must demonstrate that the existing use is not an impediment to additional residential development in the planning period. This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period.</p>	<p>More detailed information on existing uses was added to Appendix B on a parcel-specific basis; see Revised Tables H-B.1 through B.7 in Appendix B. The City is soliciting property owners for sites included in the inventory to receive additional input. Property owners that have responded have reported to be “very interested” in redeveloping their property with higher density housing uses.</p>
<p>Small Sites: For small parcels anticipated to be consolidated, the element must demonstrate the potential for lot consolidation. For example, the analysis could describe the City’s role or track record in facilitating small-lot consolidation, policies or incentives offered or proposed to encourage and facilitate lot consolidation, conditions rendering parcels suitable and ready for redevelopment, recent trends of lot consolidation, and/or information on the owners of each aggregated site.</p>	<p>The Element includes detailed trends information to support lot consolidation; Table 5.14 includes numerous examples of recent developments that consolidated lots, indicating a clear trend for this type of development. The Sites Inventory identifies parcels within consolidated sites that have common ownership (See Appendix B: Owner A and Owner A under the same site indicate common ownership).</p> <p>Information on the City’s role in lot consolidation is added to the Resources Chapter (Chapter 5; page 5-19): Many of the residential and mixed-use sites in the sites inventory are contiguous parcels and provide opportunities for lot consolidation. Azusa has a record of approving projects that utilize lot consolidations for comprehensive, high-quality projects. The City’s history of approvals over the years (Table H-5.12-14) demonstrates that there is developer interest in consolidating parcels in the city, and that Azusa has few constraints to lot consolidation associated with new projects. The City, through the former Redevelopment Agency, supported the consolidation of parcels and coordination of redevelopment of the area formerly known as Block 36, now under construction as the Orchard. These catalytic improvements are paving the way for additional lot consolidations and development in the TOD Specific Plan area.</p>
<p>Accessory Dwelling Units (ADUs): The element assumes an average of 44 ADUs per year will be constructed during the planning period, for a total of 366 ADUs. The element’s analysis and programs do not support this assumption. Specifically, in addition to other methods, HCD accepts the</p>	<p>The analysis in the Resources Chapter was revised based on building permits issued and conservative estimates. Specific commitments to monitoring and adjustments based on performance were added to Program H3-4 in the Housing Plan.</p> <p>Added to Resources Chapter (Chapter 5, pages 5-5 through 5-7): Interest in constructing ADUs is high in Azusa and continues to grow. In 2018, 15 applications were received; in 2019, 22 were received; and in 2020, 35 ADU applications were received. This represents a 47 percent increase between 2018 and 2019, and a 59 percent increase between 2019 and 2020. The issuance of building permits follows application submittals; as such, lower numbers occurred in 2018 when new laws</p>

HCD Questions/Comments from August 10, 2021 Letter	Response
<p>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 10 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. Further, the element’s ADU program (Program H3-4) should commit to additional incentives and strategies, frequent monitoring (every other year) and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., 6 months) if ADU assumptions for the number of units and affordability are not met.</p>	<p><u>became effective to allow for the time in designing projects and submitting for applications. In 2018, two ADU building permits were issued; in 2019, 12 ADU building permits were issued; in 2020, 17 building permits were issued; and in 2021, 27 ADU building permits were issued between January and September 8, 2021. Applying a projection of existing 2021 performance to the remainder of the year, an additional 13+ ADU permits are anticipated to be issued in 2021 for a total of at least 40 ADUs.</u> The City estimates that interest will continue to increase over the next few years before leveling off. The City is predominately made up of single-family neighborhoods; as such there is ample capacity for additional ADUs. As of 2021, there were 5,583 parcels zoned for single-family housing, totaling 1,024 acres. In addition, ADUs are permitted in multi-family developments and mixed-use developments, which represent a significant share of the City’s land and include the Downtown area, corridors, and transit-adjacent areas. In addition, the recent ADU activity may be somewhat depressed by the COVID-19 pandemic and other events of 2020, and do not reflect the most recent ADU laws that went into effect January 1, 2021 that streamline approvals for ADUs. <u>The significant increase in 2021 is likely to be more representative of ADU production moving forward, based on ADU trends in Azusa, new and pending favorable ADU legislation that created new incentives and streamlined processes to build ADUs, and the pent-up demand for additional housing in Azusa and the Southern California region at large. While it is impossible to predict with certainty the exact number of ADUs that will be developed in the planning period (2021-2029), the City has estimated a level of ADU development that accounts for pent-up demand at the start of the planning period and the potential leveling off of ADU development in the latter part of the planning period. This is a conservative approach, especially given legislation that will go into effect on January 1, 2022 to expand ADU opportunities even further (SB 9) and a continuing push in the legislature for more such legislation in coming years. To account for near-term pent-up demand, but also to provide a conservative approach, the City assumes the following:</u></p> <ul style="list-style-type: none"> Assuming a conservative increase for <u>June 30, 2021 to December 31, 2021: 20 units – This represents half of the projected annual construction, based on trend information available (building permits issued) between January 1, 2021 and September 8, 2021.</u> <u>2022: 50 units – This represents an increase of 25 percent (increases over the past two years were</u> from baseline (2021), and is extremely conservative given that ADU permits more than double that), Azusa can realistically estimate <u>doubled—a 135 percent increase—between 2020 and 2021).</u> <u>2023: 40 units – To be conservative, the</u> construction of 44 ADUs per year over <u>City assumes that a leveling-off period could occur within a few years. For purposes of this analysis, the leveling off period is assumed to start in 2023, with a reduction in permits of 25 percent.</u> <u>2024 to October 15, 2029: 30 units annually – Conservatively, the City estimates that ADU permits may decrease another 25 percent, to 30 units annually, and remain constant at that level through the rest of the planning period,</u> for a total of 366 new units. <u>(due to the planning period end date in October, only 20 ADUs are assumed in 2028).</u> <p>Program H3-4 (ADUs) in the Housing Plan (Chapter 2) was significantly revised (page 2-9):</p>

HCD Questions/Comments from August 10,2021 Letter	Response
	<p>Program H3-4: Accessory Dwelling Units (ADUs)</p> <ul style="list-style-type: none"> ▪ Review the Development Code to ensure consistency with State law and revise to comply with State law. In addition, remove regulations pertaining to second units that may conflict with State law, to provide consistency and clarity in the implementation of accessory dwelling unit standards. ▪ As revisions to State law occur, update the City’s ADU Ordinance to comply. ▪ Create a public outreach program to encourage ADU development, including development of an information packet to market ADU construction. Opportunities could include advertising ADU development opportunities on the City’s website, through social media, at City Hall, and at City events. ▪ Continue to coordinate with Code Enforcement on cases of unpermitted ADUs and provide information to the applicant/homeowner to encourage conversion of existing unpermitted ADUs into permitted ADUs without fines/penalties. ▪ Identify an ADU specialist within the Planning Department to respond to inquiries and support outreach efforts. ▪ Coordinate with neighboring jurisdictions and the local council of governments to participate in educational opportunities and incentives for the Azusa community, such as workshops on ADUs, stock plans, etc. ▪ Monitor ADU permit applications and approvals (including the affordability of constructed ADUs) through the Housing Element Annual Progress Report process. If, at the midpoint of the planning period, targets identified in the Housing Element are not met, identify and implement additional incentives or other strategies, as appropriate, to ensure adequate sites during the planning period. <p>Timeframe: Review/revise Development Code within one-three years of Element adoption and submit revised ADU Ordinance to HCD for review; ongoing ADU development support; annually monitor ADU construction and affordability; in 2025, evaluate progress compared to projections—If targets are not being achieved, implement new strategies in a timely manner (i.e., within approximately six months) to encourage ADU development.</p> <p>Responsible Agency: Economic and Community Development Department</p> <p>Funding Sources: Departmental Budget, State grants</p> <p>Quantified Objective: Support the development of 250 accessory dwelling units during the planning period.</p>
<p>Suitability and Availability of Infrastructure: The element should confirm that the infrastructure available for all sites in the inventory includes water, sewer, and dry utilities.</p>	<p>Access to all utilities was clarified in the Resources Chapter (Chapter 5, page 5-26): Azusa is fully developed, and full urban-level services are available to each site in the inventory. Specifically, water, sewer, and sewer servicedry utility services are available for all the sites included in the inventory.</p>
<p>Sites With Zoning for a Variety of Housing Types:</p>	

HCD Questions/Comments from August 10,2021 Letter	Response
<p>ADUs: The element indicates the City has adopted a zoning ordinance to ease barriers to the development of ADUs. However, after a cursory review of the City’s ordinance, HCD discovered several areas which were not consistent with State ADU Law, including but not limited to limitations on location, height, and number of bedrooms. HCD will provide a complete listing of ADU noncompliance issues under separate cover. The element should add a program, or modify Program 3-4 (ADUs), to update the City’s ADU ordinance in order to comply with State law.</p>	<p>The City has submitted the revised Accessory Dwelling Unit Ordinance to HCD and looks forward to working with HCD to ensure compliance with State law. The Constraints Chapter (Chapter 4, page 4-25) is revised as follows:</p> <p>In recent years, the State Legislature has passed numerous changes to ADU requirements to promote the development of ADUs. These include allowing ADUs to be built concurrently with a single-family home, opening areas where ADUs can be built to include all zoning districts that allow single-family uses, allowing ADUs in multi-family developments, modifying fees from utilities such as special districts and water corporations, and reducing parking requirements. The City last updated its ADU ordinance in 2020. In Azusa, consistent with the Government Code Section 65852.2, ADUs are permitted by right in residential zones and are subject to development standards permitted by State law. The City also adopted a clear process for the City to review and approve ADUs that do not qualify for ministerial review (e.g., second-story ADUs), including noticing procedures, development standards, and appropriate findings. <u>Certain development standards are not consistent with State law, as identified by HCD. The City will work with HCD to address areas of the ordinance that are out of compliance, and adjust accordingly.</u> <u>In addition, t</u>To provide additional clarity, the City will also modify the allowable use tables to remove “second units/carriage house” and replace <u>this terminology</u> with “accessory dwelling uses”, clearly allowing these uses in all zones that allow residential uses. Program H3-4 in the Housing Plan commits the City to updating the ADU ordinance to comply with future changes to Government Code Section 65852.2, <u>continue to update the ordinance as State law evolves, and to</u>and conducting community outreach to inform residents of <u>ADU development</u> the opportunities.</p> <p>Program H3-4 (ADUs) is revised to ensure compliance with State law:</p> <ul style="list-style-type: none"> Review the Development Code to ensure consistency with State law and <u>revise to comply with State law. In addition,</u> remove regulations pertaining to second units that may conflict with State law, to provide consistency and clarity in the implementation of accessory dwelling unit standards.
<p>Emergency Shelters: The element describes a zone to permit emergency shelters and describes the capacity to accommodate the need for emergency shelters. The City must ensure that the zoning adheres to the new parking requirement standards per AB 139 (Chapter 335, Statutes of 2019). AB 139 requires that the zone for emergency</p>	<p>Parking for emergency shelters was re-evaluated and found not to be a constraint to emergency shelters and to comply with AB 139. The Constraints Chapter (Chapter 4, page 4-26 to 4-27) is revised as follows:</p> <ul style="list-style-type: none"> One parking space for each five beds and two additional spaces are required. <u>Given that most shelter residents do not require parking and two additional spaces are required (anticipated to allow for employee parking), the minimum standards are adequate. Shelters are also able to provide additional parking beyond the minimums required by the Development Code, if more parking is needed for employees.</u>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>shelter allows for sufficient parking for the staff of the emergency shelter. The element must include programs as appropriate based on the outcomes of this analysis.</p>	
<p>Transitional & Supportive Housing: The element does not adequately address requirements for transitional housing and supportive housing. Pursuant to SB 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.</p>	<p>The Constraints Chapter (Chapter 4, page 4-27) is revised to clarify : Transitional housing is a type of supportive housing, which provides longer-term housing (up to two years), coupled with supportive services such as job training and counseling, to individuals and families who are transitioning to permanent housing. In Azusa, transitional and supportive housing are considered single-family or multi-family uses and are thus held to the same development standards as other residential uses of the same type in the same zone. However, the Development Code does not currently define transitional housing. Program H4-2 is included in the Housing Element to provide a definition of transitional housing and indicate that it is allowed in the same manner as other residential uses in each applicable zone.</p> <p>Effective January 1, 2019, AB 2162 (Supportive Housing Streamlining Act) requires supportive housing to be considered a use by right in zones where multi-family and mixed-uses are permitted, including nonresidential zones permitting multi-family uses, if the proposed housing development meets specified criteria. The Development Code does not currently define supportive housing. Program H4-2 is included in the Housing Element to provide a definition of supportive housing and clearly indicate that it is a use allowed by right. The law prohibits the local government from imposing any minimum parking requirement for units occupied by supportive housing residents if the development is located within one-half mile of a public transit stop. AB 2162 also require local entities to streamline the approval of housing projects containing a minimum amount of supportive housing by providing a ministerial approval process, removing the requirement for CEQA analysis, and removing the requirement for a CUP or other similar discretionary entitlements. Program H4-2 is included in the Housing Element to ensure compliance with this new law.</p> <p>Program 4-2 in the Housing Plan (Chapter 2, page 2-13) is revised as follows:</p> <ul style="list-style-type: none"> ▪ Consistent with State law, transitional 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. Consider Identify and draft any necessary revisions to the Development Code to make this intent clear, including new definitions and additions to allowed uses tables. ▪ Update the Development Code to comply with AB 2162 (Supportive Housing Streamlining Act), effective January 1, 2019, which requires supportive housing to be considered a use by right (ministerially permitted) in zones where multi-family and mixed use are permitted, including nonresidential zones permitting multi-family uses, if the proposed housing development meets specified criteria. Add a

HCD Questions/Comments from August 10,2021 Letter	Response
	<p>definition of supportive housing in the Development Code. Comply with AB 2162 requirements to allow for modifications for required parking for units occupied supportive housing residents that are located within one-half mile of a public transit stop.</p>
<p>3. An analysis of potential and actual governmental constraints</p>	
<p>Constraints on Housing for Persons with Disabilities: The element must demonstrate that the City has a reasonable accommodation procedure for providing exception in zoning and land use. The element indicates that the City has adopted a reasonable accommodation procedure (p. H4-30), but it does not provide any information on that procedure. The element should describe the City’s reasonable accommodation procedure, including how requests are made and processed, and any approval findings.</p>	<p>Added to Constraints Chapter (Chapter 4): See pages H4-30 through H4-31</p> <p>Added to the Housing Plan: Program H5-7: Reasonable Accommodation The City has established reasonable accommodation procedures in place. In order to ensure consistent application and clarity, the City will re-evaluate these procedures and modify to enhance equal housing opportunity, as needed.</p> <p>Timeframe: Within one year of Housing Element adoption Responsible Agency: Economic and Community Development Department Funding Sources: Departmental Budget</p>
<p>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 minor use permit (MUP). 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.</p>	<p>The Constraints Chapter (Chapter 4, page 4-29) is revised to describe the process: Under State Lanterman Developmental Disabilities Services Act (“Lanterman Act”), small State-licensed residential care facilities for 6six or fewer persons must be permitted in all zones that allow single- or multi-family uses, subject to the same permit processing requirements and development standards; Azusa is compliant with the Lanterman Act. In addition, to provide additional opportunities for residential care facilities, large community-residential care facilities with more than six persons and rest homes are permitted by right in all Corridors and with a Minor Use Permit (MUP) in the University District and in all neighborhood zones except Neighborhood Center, and are permitted in all Corridors and University Districts by right. The MUP process applicable in the University District and Neighborhood Zines is not a constraint to development of large residential care facilities. The MUP process is conducted at the staff level with review and approval by the Zoning Administrator; no public hearing is required. The MUP process is intended to serve the important functions of providing a project with conditions of approval and allowing assessment of each individual site. When MUPs are approved, standard conditions are attached. The City is currently (in 2021) reviewing standards and procedures for group homes, large residential care facilities, and reasonable accommodation procedures to allow for consistent implementation of regulations and streamlining. Program H-5.1 in the Housing Plan includes an action item to review the standards and</p>

HCD Questions/Comments from August 10,2021 Letter	Response
	<p>processing procedure for residential care facilities to ensure that these uses are treated objectively and do not discriminate against persons with disabilities.</p> <p>Program H5-1 in the Housing Plan (Chapter 2, page 2-16) is revised as follows:</p> <ul style="list-style-type: none"> ▪ Review Development Code standards and procedures associated with the approval of residential care facilities; revise as appropriate to streamline and provide consistent application of standards and ensure that these uses are treated objectively and do not discriminate against persons with disabilities. <p>Timeframe: Ongoing; update Development Code within one year of adoption</p>
<p>4. Analyze any special housing needs</p>	
<p>While the element quantifies the numbers of special needs populations, it must analyze the special housing needs of these populations. 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 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.</p>	<p>Complete analysis of each population group is added to the Needs Assessment Chapter (Chapter 3, pages 3-9 through 3-12):</p> <p>Persons with Disabilities including persons with Developmental Disabilities</p> <p>Many factors limit the supply of housing available to households of persons with disabilities. In addition to the need for housing that is accessible or ADA-compliant, housing affordability is a key limitation as many persons with disabilities live on disability incomes or fixed income. Location of housing is also an important factor for many persons with disabilities, as they often rely upon public transportation to travel to necessary services and shops. Many developmentally disabled persons can live and work independently within a conventional housing environment but may require a group living environment. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an adult.</p> <p>...</p> <p>For those living in single-family homes, residents can benefit from accessibility improvements such as wider doorways and hallways, access ramps and railings, larger bathrooms with grab bars, lowered countertops, and other features common to “barrier free” housing. According to the State Department of Social Services, seven small residential care facilities with capacity to support 33 residents are located in Azusa. In addition, four large residential care facilities for the elderly accommodate 114 Azusa disabled seniors.</p> <p>Accommodating a sufficient quantity and quality of housing for people with disabilities of any kind is a significant challenge in these times due to the lack of funding and complexity of housing and service needs involved. Azusa supports the provision of housing for persons with disabilities and has provisions in the Development Code to enable group housing through the residential care facility process. The City has in place a reasonable accommodation procedure and, as of 2021, was revisiting the procedure to ensure clarity and a streamlined application, review, and approval process for housing for persons with disabilities.</p>

HCD Questions/Comments from August 10,2021 Letter	Response
	<p>Elderly (65+ years)</p> <p>...</p> <p><u>Seniors with limited incomes may have difficulty finding affordable housing. The Los Angeles Housing Authority is responsible for the Housing Choice Voucher (Section 8) program in the City of Azusa. Priority is given to senior (62 years old or older), disabled or handicapped residents that meet the income guideline limits established by the Federal Government. Many Azusa seniors reside in conventional single-family homes. Senior homeowners who need maintenance assistance can apply to the City’s Residential Rehabilitation Program, which provides grants to eligible homeowners/occupants of single-family detached homes to create a safe living environment.</u></p> <p><u>Azusa also has been active in providing for a variety of housing options that are age-restricted for seniors. The City has reduced development standards for senior housing; this has fostered new development including the Gladstone Senior Villas, constructed in 2020 (60 units). Azusa is also home to four assisted living facilities. The Azusa Senior Center serves as a resource for seniors in the community, providing meals and information to support the population.</u></p> <p>Large Households (5+ members)</p> <p>...</p> <p><u>The majority of housing in Azusa has two or fewer bedrooms (51 percent). One third of housing has three bedrooms, 13 percent has four bedrooms, and two percent have five or more bedrooms. Significantly more owner-occupied housing has three or more bedrooms, as indicated in Figure H3-1. However, 26 percent of rental housing has three or more bedrooms. Given that the population of large households within Azusa is less than the existing housing stock for large units, existing supply may be adequate to support this group. However, support services may be necessary to address existing overcrowding due to an inability to afford larger unit sizes.</u></p> <p><u>The Los Angeles Community Development Authority (LACDA) implements the Housing Choice Voucher/Section 8 rental assistance on behalf of Azusa. Housing choice vouchers are provided to approximately 242 households in Azusa earning low or very low incomes. These vouchers are portable and not tied to a specific apartment project.</u></p> <p>Female Headed Households</p> <p>...</p> <p><u>Providing housing opportunities for families in Azusa is a challenging task. The primary need for female-headed households is for more affordable housing and supportive services, including childcare. The Los Angeles Community Development Authority (LACDA) implements the Housing Choice Voucher/Section 8 rental assistance on behalf of Azusa. Housing choice vouchers are provided to approximately 242</u></p>

HCD Questions/Comments from August 10,2021 Letter	Response
	<p>households in Azusa earning low or very low incomes. These vouchers are portable and not tied to a specific apartment project. Program H2-3 is included in the Housing Plan to continue to partner with LACDA and promote the use and availability of Housing Choice Vouchers in the community.</p> <p>People Experiencing Homelessness</p> <p>...</p> <p>The City allows shelters by right in the West End Industrial District, and with a Use Permit in the West End Light Industrial District and the University District-Mixed Use. In addition, through Program H4-2, Azusa will allow Low-Barrier Navigation Centers (a housing first, low barrier, service-enriched shelter focused on moving people into permanent housing) by right in all areas zoned for mixed-use and nonresidential zones that allow multi-family uses.</p> <p>The City of Azusa continues to work with regional partners, including local nonprofits and surrounding jurisdictions, to address homelessness. In 2018, the City adopted a <i>Plan to Prevent and Combat Homelessness</i>, which outline the City’s priorities as it continues to address issues related to homelessness. In 2019, the City received additional funds to build capacity by expanding on the existing work of Neighborhood Connections, a library-based program, to establish a community-wide approach to homeless solutions and better route for community members experiencing homelessness into and through the initial Centralized Entry System.</p>
<p><i>5. Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses</i></p>	
<p>The element identifies three properties at risk of conversion to market-rate during the planning period (p. H3-11). While the element includes most of the required analysis, it does not identify specific funding sources that could be used to preserve the affordability. The element must provide this analysis for the at-risk units identified.</p>	<p>Specific Funding sources that could be used to preserve affordability of at-risk units is added to the Needs Assessment Chapter (Chapter 3, pages H3-15 through 16):</p> <p>Funding Sources</p> <p>A critical component to implement any of these preservation options is the availability of adequate funding, which can be difficult to secure. In general, Low-Income Housing Tax Credit funding is not readily available for rehabilitation and preservation, as the grant application process is highly competitive and prioritizes new construction. The City’s previous funding source, Low/Mod Housing Funds available through the Redevelopment Agency, no longer exist due to the dissolution of Redevelopment nearly a decade ago. Available funding sources that can support affordable housing preservation include sources from the federal and state governments, as well as local and regional funding.</p> <p>Federal Funding</p> <ul style="list-style-type: none"> • HOME Investment Partnerships (HOME) Program

HCD Questions/Comments from August 10,2021 Letter	Response
	<ul style="list-style-type: none"> • Project-Based Vouchers (Section 8) • Section 811 Project Rental Assistance <p>State Funding</p> <ul style="list-style-type: none"> • Affordable Housing and Sustainable Communities Program • Golden State Acquisition Fund (GSAF) • Project Homekey • Housing for a Healthy California • Multifamily Housing Program (MHP) • National Housing Trust Fund • Predevelopment Loan Program (PDLP) <p>Regional, Local, and Nonprofit Funding</p> <ul style="list-style-type: none"> • San Gabriel Valley Regional Housing Trust • Foundations and Nonprofits <p>Another option to preserve the affordability of at-risk projects is to restructure the financing of the projects by paying off the remaining balance or writing down the interest rate on the remaining loan balance. The feasibility of this option depends on whether the complexes are too highly leveraged.</p>
<p>C. Housing Programs</p>	
	<p><i>1. Include a program which sets forth a schedule of actions...to implement ...goals and objectives...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</i></p>
<p>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;</p>	<p>Multiple Housing Programs were updated to add information on the City’s role in implementation, accelerate timelines, and clarify objectives. Housing Plan Programs are revised in Chapter 2 (Housing Plan):</p> <p>Programs 3-4 (ADUs), 4-1 (Density Bonus), and 4-2 (Transitional and Supportive Housing) are revised as follows: Timeframe: Review/revise Development Code within onethree years of Element adoption</p> <p>Program 5-4 is revised as follows: Timeframe: Implement outreach plan within one year of Housing Element adoption; Ongoing</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>and (4) identification of responsible agencies and officials. Programs to be revised include the following:</p> <ul style="list-style-type: none"> • Program 3-4 (ADUs): Add specific timeframes for all actions. Actions to comply with State law should take place within one year of adoption. • Program 4-1 (Density Bonuses): Actions to comply with State law should take place within one year of adoption. • Program 4-2 (Supportive and Transitional Housing): The program should be amended to commit to a timeframe to within three years of adoption in order to ensure beneficial impact within the planning period. • Program 5-4 (Outreach Plan): Add timeframe for implementation. 	
<p>Additionally, measurable outcomes, quantified, when possible, are needed for Programs 1-2 (Rental Housing Inspection), 1-3 (Neighborhood Improvement Zone), 2-1 (First-Time Homebuyer Assistance), 2-3 (Section 8 Housing Choice Voucher), and 3-4 (ADUs).</p>	<p>Multiple Housing Programs were updated to add information on the City’s role in implementation, accelerate timelines, and clarify objectives. Housing Plan Programs are revised in Chapter 2 (Housing Plan):</p> <p>Program 1-2: Rental Housing Inspection <u>Quantified Objective:</u> Annually inspect 1,000 rental units</p> <p>Program 5-6 Neighborhood Improvements is combined with Program 1-3 for an accurate quantified objective:</p> <p>Program H1-3: Neighborhood Improvement Zone Program</p> <ul style="list-style-type: none"> ▪ Using CDBG funding, support neighborhood improvements, including sidewalks and housing rehabilitation and house painting. ▪ Pursue additional funding sources to identify target neighborhoods and involve residents to identify and implement needed improvements.

HCD Questions/Comments from August 10,2021 Letter	Response
	<ul style="list-style-type: none"> ▪ Using CDBG funds, construct Americans-with-Disabilities Act Compliant (ADA) improvements that improve accessibility and mobility for all persons, especially providing elderly and severely disabled persons safe and clear paths of travel. <p>Timeframe: Ongoing Responsible Agency: Economic and Community Development Department Funding Sources: CDBG, Outside Funding Sources Quantified Objective: Annually, install approximately 15-20 Americans with Disabilities Act-compliant curb ramps with truncated domes and replace damaged sidewalks to provide accessible, unobstructed path of travel for severely disabled adults and elderly persons.</p> <p>Program 2-1: First-Time Homebuyer Assistance Programs Timeframe: Ongoing; begin advertising homeownership housing assistance programs within one year of Housing Element adoption. Objective: Increase access to information about available resources for all community members</p> <p>Program H2-3: Section 8 Housing Choice Voucher Program Quantified Objective: Preserve 242 Housing Choice Vouchers currently in use in Azusa</p> <p>Program H3-4: Accessory Dwelling Units (ADUs) Quantified Objective: Support the development of 250 accessory dwelling units during the planning period.</p>
<p><i>2. Identify actions that will be taken to make sites available</i></p>	
<p>As noted in Finding B2, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning was 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</p>	<p>Additional analysis and information is provided in the Resources chapter as indicated above, indicating that the City has adequate sites to meet the RHNA. Programs were also strengthened, including Program H3-4 (ADUs) and new program H3-10 is included: Program H3-10: Development on Nonvacant Sites Promote residential development on nonvacant sites. As funds are available, target nonvacant sites identified in the Housing Element as priorities for fund allocations. In addition, expand the opportunities for adaptive reuse of nonresidential existing buildings for housing through the expansion of by-right processes, reduced parking standards, flexible building standards, and increased flexibility on the types of uses (e.g. live/work) and locations that can be converted to support proposed developments.</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>available to encourage a variety of housing types. In addition, the element should be revised as follows:</p>	<p>Timeframe: Ongoing; consider adaptive reuse standards within three years of Housing Element adoption. Responsible Agency: Economic and Community Development Department Funding Sources: Departmental Budget</p>
<ul style="list-style-type: none"> Program 3-4 (ADUs): As noted in Finding B2, the City’s ADU ordinance appears to be out of compliance with State law. The element should include a program to amend the ADU ordinance within one year of adoption of the element. <p>Furthermore, the element must 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).</p>	<p>Program H3-4 is revised as follows: Program H3-4: Accessory Dwelling Units (ADUs)</p> <ul style="list-style-type: none"> Review the Development Code to ensure consistency with State law and revise to comply with State law. In addition, remove regulations pertaining to second units that may conflict with State law, to provide consistency and clarity in the implementation of accessory dwelling unit standards. As revisions to State law occur, update the City’s ADU Ordinance to comply. Create a public outreach program to encourage ADU development, including development of an information packet to market ADU construction. Opportunities could include advertising ADU development opportunities on the City’s website, through social media, at City Hall, and at City events. Continue to coordinate with Code Enforcement on cases of unpermitted ADUs and provide information to the applicant/homeowner to encourage conversion of existing unpermitted ADUs into permitted ADUs without fines/penalties. Identify an ADU specialist within the Planning Department to respond to inquiries and support outreach efforts. Coordinate with neighboring jurisdictions and the local council of governments to participate in educational opportunities and incentives for the Azusa community, such as workshops on ADUs, stock plans, etc. Monitor ADU permit applications and approvals (including the affordability of constructed ADUs) through the Housing Element Annual Progress Report process. If, at the midpoint of the planning period, targets identified in the Housing Element are not met, identify and implement additional incentives or other strategies, as appropriate, to ensure adequate sites during the planning period. <p>Timeframe: Review/revise Development Code within one-three years of Element adoption and submit revised ADU Ordinance to HCD for review; ongoing ADU development support; annually monitor ADU construction and affordability; in 2025, evaluate progress compared to projections—If targets are not being achieved, implement new strategies in a timely manner (i.e., within approximately six months) to encourage ADU development.</p> <p>Responsible Agency: Economic and Community Development Department Funding Sources: Departmental Budget, State grants Quantified Objective: Support the development of 250 accessory dwelling units during the planning period.</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<ul style="list-style-type: none"> Program 3-9 (Development on Religious Institution Sites / AB 1397 Reuse): As the City is relying on potential development on religious institution sites to accommodate a shortfall of the lower-income RHNA, this program must commit to the specific by-right provisions found in Government Code section 65583.2, subdivisions (h) & (i). <p>Sites being rezoned must:</p> <ul style="list-style-type: none"> o permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a CUP, planned unit development permit, or other discretionary review or approval. o accommodate a minimum of 16 units per site; o require a minimum density of 20 units per acre; and o at least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites: 	<p>The original draft Housing Element identified two sites that would require compliance with AB 1397. Upon further review, it was clarified that this was one site with multiple parcels, functioning as one site. Upon additional analysis, it was identified that the one (formerly identified as two sites) nonvacant site that was included in the previous Housing Element to meet the lower-income RHNA did not have sufficient capacity to support 16 units on site. As such, these parcels were removed from the inventory. With the removal of these parcels, this program as it was originally written is no longer required and is modified accordingly (Chapter 2, page 2-11).</p> <p>Program H3-9: Development on Religious Institution Sites/AB 1397 Reuse SB 899 and AB 1851 (2020 legislative session) allows religious institutions to build 100 percent affordable housing projects on their properties through a ministerial process and allows for removal of existing parking areas. Azusa is home to a multitude of properties owned by churches, temples, and other religious institutions, with capacity for additional development. The City will Allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower-income households on sites identified in Appendix B as subject to AB 1397. Consider options and implement a preferred option to comply with the density requirements of AB 1397 such as: Adopt a Religious Institution Housing Overlay in the Development Code that applies to all religious institution sites in mixed use and MODR zones and allows development at 30 units per acre.</p> <ul style="list-style-type: none"> Adopt a Religious Institution Housing Overlay that applies only to sites that were used in the previous Housing Element(s) and identified in Appendix B as subject to AB 1397 and allows development at 30 units per acre. create standards and a review process for the establishment of affordable housing via a Religious Institution Housing Ordinance or other zoning approach. <p>Timeframe: Within 3 years of the Housing Element planning period Responsible Agency: Economic and Community Development Department Funding Sources: Departmental Budget</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>☑ allow 100 percent residential use, and ☑ require residential use occupy 50 percent of the total floor area of a mixed-use project.</p>	
<p>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 of those sites. The program(s) could commit to provide financial assistance, regulatory concessions, or incentives to encourage and facilitate new, or more intense, residential development on the sites. Examples of incentives include identifying and targeting specific financial resources and reducing appropriate development standards. For additional information, see the <i>Building Blocks</i> at http://www.hcd.ca.gov/community-development/building-blocks/program-requirements/identify-adequate-sites.shtml.</p>	<p>A new program, Program H3-10 is added to the Housing Plan (Chapter 2, page 2-12): Program H3-10: Development on Nonvacant Sites Promote residential development on nonvacant sites. As funds are available, target nonvacant sites identified in the Housing Element as priorities for fund allocations. In addition, expand the opportunities for adaptive reuse of nonresidential existing buildings for housing through the expansion of by-right processes, reduced parking standards, flexible building standards, and increased flexibility on the types of uses (e.g. live/work) and locations that can be converted to support proposed developments.</p> <p>Timeframe: Ongoing; consider adaptive reuse standards within three years of Housing Element adoption. Responsible Agency: Economic and Community Development Department Funding Sources: Departmental Budget</p>
<p>3. <i>The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-,....</i></p>	
<p>While the element includes programs to assist in the development of very low-, low-, and moderate-income households, it must also include a program to assist in the development of housing affordable</p>	<p>Program H4-2 was intended to meet the needs of extremely low-income households. The program has been revised as follows: Program H4-2: Supportive and Transitional HousingHousing for Extremely Low-Income Households</p> <ul style="list-style-type: none"> ▪ Continue to allow the establishment of transitional and supportive housing development and single-room occupancy developments (SROs), where allowed and consistent with Development Code provisions, to support housing opportunities for extremely low-income households.

HCD Questions/Comments from August 10,2021 Letter	Response
<p>extremely low-income (ELI) households. Programs must be revised or added to the element to assist in the development of housing for ELI households. Program actions could include prioritizing some funding for housing developments affordable to ELI households and offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units, to address the identified housing needs for ELI households.</p>	<ul style="list-style-type: none"> ▪ Consistent with State law, transitional 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. Consider Identify and draft any necessary revisions to the Development Code to make this intent clear, including new definitions and additions to allowed uses tables. ▪ Update the Development Code to comply with AB 2162 (Supportive Housing Streamlining Act), effective January 1, 2019, which requires supportive housing to be considered a use by right (ministerially permitted) in zones where multi-family and mixed use are permitted, including nonresidential zones permitting multi-family uses, if the proposed housing development meets specified criteria. Add a definition of supportive housing in the Development Code. Comply with AB 2162 requirements to allow for modifications for required parking for units occupied supportive housing residents that are located within one-half mile of a public transit stop. ▪ Review the Development Code and make any necessary changes to ensure compliance with AB 101 (Low-Barrier Navigation Centers). Law AB 101 requires that Low-Barrier Navigation Centers be allowed by right in areas zoned for mixed-use and nonresidential zones permitting (by right or conditionally) multi-family uses. ▪ Prioritize funding toward extremely low-income housing projects, as available. <p>Timeframe: Adopt Development Code amendments within threeone years of Housing Element adoption; Ongoing</p> <p>Responsible Agency: Economic and Community Development Department</p> <p>Funding Sources: Departmental Budget</p>
<p>4. <i>Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints</i></p>	
<p>As noted in Finding B3, 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.</p>	<p>As noted above, additional data and analysis have been added to the Constraints Chapter (Chapter 4), as well as modifications to existing programs and the creation of new programs in the Housing Plan (Chapter 2). All constraints have been identified and, as necessary, programs have been added or modified to address constraints.</p>
<p>5. <i>Promote and AFFH opportunities</i></p>	
<p>As noted in Finding B1, the element does not contain programs that satisfy the AFFH requirements for specific and meaningful actions to overcome fair housing issues.</p>	<p>As noted in the response to Finding B1 above, many Programs in the Housing Element directly contribute to affirmatively furthering fair housing through increasing Housing Mobility Strategies, Providing New Housing Choices and Affordability in Areas of Opportunity, Place-Based Strategies to Encourage Community Conservation and Revelations, and Protect Existing Residents from Displacement. In addition, Program H5-3 is modified to add additional actions and timeframes.</p>

HCD Questions/Comments from August 10,2021 Letter	Response
<p>Based on a complete analysis, the element must add or revise programs.</p>	<p>Program H5-3: Affirmatively Furthering Fair Housing Timeframe: Ongoing; expand access to multilingual informational material on fair housing to be made available at public counters, libraries, post office, other community locations, and on the City’s website within two years; assess fair housing issues as part of the regional Analysis of Impediments to Fair Housing Choice (estimated to be updated in 2025) and address any identified impediments in Azusa within one year.</p>
<p><i>6. Develop a plan that incentivizes and promotes the creation of ADUs that can be offered at affordable rent,</i></p>	
<p>The element is required to include a program that incentivizes or promotes ADU development for very low-, low-, and moderate-income households. This can take the form of flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, fee waivers and more. Other strategies could include developing information packets to market ADU construction, targeted advertising of ADU development opportunities or establishing an ADU specialist within the planning department.</p>	<p>Program H3-4 (ADUs) is revised to increase incentives and promotion of ADU development as follows: Program H3-4: Accessory Dwelling Units (ADUs)</p> <ul style="list-style-type: none"> ▪ Review the Development Code to ensure consistency with State law and revise to comply with State law. In addition, remove regulations pertaining to second units that may conflict with State law, to provide consistency and clarity in the implementation of accessory dwelling unit standards. ▪ As revisions to State law occur, update the City’s ADU Ordinance to comply. ▪ Create a public outreach program to encourage ADU development, including development of an information packet to market ADU construction. Opportunities could include advertising ADU development opportunities on the City’s website, through social media, at City Hall, and at City events. ▪ Continue to coordinate with Code Enforcement on cases of unpermitted ADUs and provide information to the applicant/homeowner to encourage conversion of existing unpermitted ADUs into permitted ADUs without fines/penalties. ▪ Identify an ADU specialist within the Planning Department to respond to inquiries and support outreach efforts. ▪ Coordinate with neighboring jurisdictions and the local council of governments to participate in educational opportunities and incentives for the Azusa community, such as workshops on ADUs, stock plans, etc. ▪ Monitor ADU permit applications and approvals (including the affordability of constructed ADUs) through the Housing Element Annual Progress Report process. If, at the midpoint of the planning period, targets identified in the Housing Element are not met, identify and implement additional incentives or other strategies, as appropriate, to ensure adequate sites during the planning period. <p>Timeframe: Review/revise Development Code within one-three years of Element adoption and submit revised ADU Ordinance to HCD for review; ongoing ADU development support; annually monitor ADU construction and affordability; in 2025, evaluate progress compared to projections—If targets are not being achieved, implement new strategies in a timely manner (i.e., within approximately six months) to encourage ADU development.</p>

HCD Questions/Comments from August 10,2021 Letter	Response
	<p>Responsible Agency: Economic and Community Development Department</p> <p>Funding Sources: Departmental Budget, State grants</p> <p>Quantified Objective: Support the development of 250 accessory dwelling units during the planning period.</p>
<p>D. Public Participation</p>	
<p>While the element includes a general summary of the public participation process, it must also summarize the public comments and describe how they were considered and incorporated into the element.</p> <p>In addition, HCD understands the City may have made the element available to the public concurrent with 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</p>	<p>The Public Review Draft Element was made available to the public for 2 weeks prior to submitting to HCD; during that time the City hosted an informational workshop and advertised an online comment form. Specific comments received through the online comment form are included in Appendix A; the Introduction includes a summary of those comments and notes how the Housing Element was revised in response.</p> <p>Additional information is also added to Introduction (Chapter 1, page H1-10):</p> <p>Public Review Draft Housing Element The Draft Housing Element was posted on the City’s website and distributed to stakeholders on June 16, 2021. During the public review period, a study session with the Planning Commission and City Council was held to provide an additional opportunity for public input (June 21, 2021) prior to submitting the draft to HCD for review and comment on July 6, 2021. A second study session was held in June to review the draft Housing element prior to its submittal to HCD. During the meeting, the City’s consultant presented a summary of Housing Element requirements, public input, and the content of the Housing Element. There were no public further comments recorded-received during the second-study session. Between June 16, 2021 and July 5, 2021, the draft Housing Element was advertised for public review and aAn online comment form was available for the public to provide feedback on the Draft Element; During this time, three public comments were received. The public comments are included in Appendix A (Outreach). In response to these comments, the Housing Plan was reviewedreviewed, and the following changes were made:</p> <ul style="list-style-type: none"> • Program H3-4 (ADUs) was revised to ensure consistency with State law for ADU regulations • Program H3-6 (Homelessness) was revised to support ongoing efforts to address homelessness through the provision of emergency shelter, transitional housing, and supportive housing <p>The Draft Element -will remain available on the City’s website for additional public review and comment during the HCD review period. As revisions are made to respond to HCD comments, this information will also be posted on the City’s website. Once HCD has reviewed the draft Element, the public will also be invited to attend and comment on the Housing Element at hearings held before the Planning Commission and</p>

HCD Questions/Comments from August 10,2021 Letter	Response
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.	the City Council. The City anticipates the revised Draft Housing Element will be available on the website and at City Hall no less than 10 days prior to each hearing.