

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

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**ATTACHMENT 1**

May 25, 2021

Mike Strong, Director
Community Development Department
City of Escondido
201 North Broadway
Escondido, CA 92025

Dear Mike Strong:

RE: Review of Escondido's 6th Cycle (2021-2029) Draft Housing Element Update

Thank you for submitting the City of Escondido's (City) draft housing element received for review on March 26, 2021, along with revisions received on May 11, 19 and 24, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on April 30, 2021 with you and Jessica Relucio from the City and the City's consultants Veronica Tam, Jamie Power, Aaron Barrall, and Dan Wery. In addition, HCD considered comments from the Building Industry Association (San Diego Office) pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, the following revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code):

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A))*

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)

Enforcement and Outreach: While the element includes some information on fair housing complaints (p. 115), it must also address how the City complies with existing fair housing laws and regulations.

Integration and Segregation: The element contains some data on integration and segregation and includes data highlighting specific patterns that have high segregation and incidences of poverty. The element also states that the City has two areas of poverty and racial segregation (p.120). However, the element needs to analyze these areas of high segregation for patterns, trends over time, local data and knowledge, and any other relevant information. The analysis should also include integration and segregation patterns and trends among persons with disabilities, income, and familial status. Overall, the analysis needs to review and discuss trends, patterns, local data and knowledge, other relevant factors, and summarize any identified issues.

Racial/Ethnic Areas of Concentration of Poverty: The element states that the City has one racially/ethnically concentrated area of poverty that overlaps with an area of high racial segregation (p.120). The element must analyze those areas for trends and patterns both at a regional and local level, include local data and knowledge and other relevant factors that contributed to the creation of areas of poverty and summarize any identified issues.

Access to Opportunity: The element includes data related to access to opportunity based on whether a census tract is considered a low, moderate, or high resourced area and if there is high segregation and poverty prevalent in the tract (p. 121.) However, the element must accompany that data with analysis of trends, patterns, local data and knowledge, other relevant factors, and summarize any identified issues.

Disproportionate Housing Needs and Displacement: While the element does include some data on overcrowded units, cost-burdened households, and substandard housing conditions (p. 116), it must also analyze the data for trends, patterns, and local data and knowledge. It should also analyze the data as part of determining which populations and areas may be at risk of displacement. Lastly, the analysis should summarize any identified issues.

Sites Inventory: The element must identify and analyze the number of units, location, and assumed affordability on identified sites relative to all components of the assessment of fair housing. Additionally, the City has identified a proportion of its lower-income Regional Housing Needs Allocation (RHNA) in the South Centre Specific plan, which based on the data provided, is a low resourced area with high segregation and poverty. The element should analyze this area along with other areas and conclude whether the identified sites improve or exacerbate fair housing conditions. Based on the outcome of this analysis, the City should include programs and actions to mitigate fair housing issues.

Contributing Factors: The element must identify and prioritize contributing factors to fair housing issues. Contributing factors create, contribute to, perpetuate, or increase the severity of fair housing issues and are fundamental to adequate goals and actions. Examples include community opposition to affordable housing, housing discrimination, land use and zoning laws, lack of regional cooperation, location and type or lack of affordable housing and lack of public or private investment in areas of opportunity or affordable housing choices.

Goals, Priorities, Metrics, and Milestones: The element must be revised to add or modify goals and actions based on the outcomes of analysis described above. Goals and actions must specifically respond to the analysis and identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have metrics and milestones as appropriate and must address housing mobility, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

2. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. (Gov. Code, § 65583, subd. (c)(1).)

Suitability of Nonvacant Sites: The element must include an analysis to demonstrate the potential for redevelopment. The analysis shall consider factors, including but not limited to the extent existing uses constitute an impediment, development trends and market conditions.

The element includes descriptions of the different typologies or uses on nonvacant sites based on each community area. It also includes some information on vacancies and demand for the existing use and mentions factors utilized to determine additional development potential. However, the element should include additional information and analysis to demonstrate redevelopment. For example, the element notes several factors were used to

identify the sites with the most potential for additional development in the planning period such as improvement to land value ratios, age of structures, and the number of units that could be added to a property. The element should list the actual values for each of the sites to better relate the overall analysis to the sites inventory. Further, the element mentions recent redevelopment and similar characteristics to identified sites but should also detail the characteristics of those trends or other information that support the various assumptions (e.g., age of structure, floor area, improvement to land value ratios) used to identify sites with additional development potential.

In addition, the element should clearly identify reliance on nonvacant sites to accommodate the housing need for lower-income households. If the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, as part of the resolution to adopt the housing element, the City must make findings based on substantial evidence pursuant to Government Code section 65583.2, subdivision (g)(2).

Small Sites: Sites larger than ten acres in size or smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. While the element included a few examples about developments with lot consolidation (p.97), it must also provide specific examples with the densities, affordability and, if applicable, circumstances leading to consolidation. The element should relate these examples to the sites identified to accommodate the RHNA for lower-income households to demonstrate that these sites can adequately accommodate the City's lower-income housing need. Based on a complete analysis, the City should consider adding or revising programs to include incentives for facilitating development on small sites.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Programs: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites.

The element will meet the statutory requirements of State Housing Element Law once it has been revised to comply with the above requirements.

As a reminder, the City's 6th cycle housing element was due April 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to make revisions to the element as described above, adopt, and submit to HCD to regain housing element compliance.

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

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Specifically, HCD understands the City made the element available to the public near the same time of submittal to HCD. 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, and diligently consider and address comments, including making revisions to the document where appropriate. Consideration of comments should not be limited by HCD's findings in this review letter.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

HCD appreciates the hard work and responsiveness City staff Jessica Relucio, you, and the City's consultants Veronica Tam, Jamie Power, Aaron Barrall, and Dan Wery provided during the course of our review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Sohab Mehmood, of our staff, at Sohab.Mehmood@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Shannan West". The signature is written in a cursive, flowing style.

Shannan West
Land Use & Planning Unit Chief