

HCD Comments March 28, 2023			Response / Revision
A. <u>Housing Needs, Resources, and Constraints</u>			
1. <i>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).)</i>			
	a.	<p><u>Local Data and Knowledge</u>: The element generally was not revised to address this requirement. The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers. Please see HCD’s prior review for additional information [11/18/22 B.1.c]</p>	<p><u>Chapter 3 AFFH</u> At beginning of chapter, included a new Local Knowledge section summarizing local community feedback received throughout the Housing Element Update process and key themes from the City's housing needs analysis.</p> <p>Throughout the chapter added conclusions within each section based on analysis of the data presented.</p> <p>At the beginning of the Assessment of Fair Housing Issues section, added text about the three main geographic areas of the City (north, central, south) that are referenced throughout the document.</p> <p>In the Race/Ethnicity section, added local data (three new tables, two new figures), along with supporting narrative/analysis. Added redlining map from 1937 and analysis connecting historic segregation with current patterns.</p> <p>In the Persons with Disabilities section, added local data in the form of two new tables showing the Santa Clara County and Santa Clara population with developmental disabilities by age (Table 13.3-10) and adult population with developmental disabilities by residence (Table 13.3-11), and supporting narrative.</p> <p>In a newly titled section called Affordability by Census Tract, included summary about LMI residents at the census block level.</p> <p>Added new Figure 13.3-23 Sites Inventory/TCAC Opportunity Areas - Composite Score, to show current 2023 HCD/TCAC opportunity areas, existing affordable housing, and all sites on the inventory.</p> <p>In the Transportation section, added figures showing existing transit and the Valley Hopper service, and analysis of local trends.</p> <p>In the Overcrowded Households section, added additional local data at the census tract level.</p> <p>Updated contributing factors matrix, added new actions/objectives in Chapter 2 Housing Plan relating to issues raised in the AFFH analysis.</p>
	b.	<p><u>Identified Sites and Affirmatively Furthering Fair Housing (AFFH)</u>: While the element generally identifies the number of units in the northeast region, it generally does not address this requirement. A full analysis should address the identified sites, including pipeline project, to accommodate the regional housing need allocation (RHNA) with respect to location (e.g., neighborhoods, planning areas, census tracts), the number of sites and units by all income groups and how that affects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions such as isolating the RHNA by income group or not dispersing the RHNA by income throughout the City. If sites exacerbate conditions, the element should identify further program actions that will be taken to promote equitable quality of life throughout the community (e.g., housing mobility, new opportunities in higher resource or income areas, anti-displacement, and place-based community revitalization strategies).</p>	<p><u>Chapter 3 AFFH</u> Added new section called AFFH Analysis of the Sites Inventory with narrative and new Table 13.3-22 Sites Inventory Units by HCD/TCAC Opportunity Map Area, showing the distribution of the sites inventory units by income group/affordability category. Added maps of sites inventory sites overlaid on General Plan land use map, ADU trends map, and analysis on how production and preservation strategies will help address historic segregation patterns in South Santa Clara and prevent displacement.</p>

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	c.	<u>Contributing Factors to Fair Housing Issues</u> : Based on a complete analysis, the element should re-assess and prioritize contributing factors to fair housing issues.	<u>Chapter 3 AFFH</u> Added a new section called Contributing Factors, revised Table 13.3-23 AFFH Meaningful Actions Matrix to include re-assessment and prioritization of contribution factors to fair housing issues.
<i>Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)</i>			
2. <i>Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)</i>			
<i>Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)</i>			
	a.	<u>Extremely Low-Income (ELI) Households</u> : The element now generally describes the effectiveness of strategies, and the magnitude of the housing need for ELI housing needs, However, as noted in the prior review, the element should analyze the housing needs of ELI households, including tenure and overpayment, and add or modify programs as appropriate. This is particularly important given the disproportionate housing needs of ELI households.	<u>Chapter 4 Housing Needs</u> In Extremely Low Income (ELI) Households section, added analysis showing lower income households experience overpayment at a much higher rate compared to all households. In Elderly (65+ years) section, added new Table 13.4-12: Senior Households by Income and Tenure and Table 13.4-13: Cost-Burdened Senior Households by Income Level and analysis showing senior ELI and VLI households are cost-burdened or severely cost-burdened at a much higher rate compared to all other senior households.
	b.	<u>Special Housing Needs</u> : The element was revised with minimal analysis on special housing needs, it must include additional analysis to address the finding. For a complete analysis of each population group, the element should discuss challenges faced by the population, the existing resources to meet those needs (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.	<u>Chapter 4 Housing Needs</u> At the beginning of the Special Housing Needs section, added conclusion based on analysis, confirmed by public comments received, of each special housing needs population group acknowledging the challenges faced by those populations, the need for additional resources to meaningfully address special housing needs, and referencing the City's housing programs that will help address the gaps in resources to meet their needs. At the end of each of the sections on Persons with Disabilities including persons with Developmental Disabilities, Elderly (65+ years), and Large Households (5+ members), added conclusions about the gap between existing resources and future needs. <u>Chapter 2 Housing Plan</u> Under Action 1 Provision of a Variety of Housing Types, added discrete objective to increase the stock of ELI/VLI rental housing designed for persons with disabilities and elderly persons, and to increase the stock of restricted 3 and 4 bedroom affordable rental units to serve large households. Added ongoing objective to annually explore regional and state funding sources to build more housing opportunities for persons with disabilities and for ELI households.
	c.	In addition, while the element now quantifies persons with disability by type, it still must quantify elderly households by tenure and permanent and seasonal farmworkers using USDA agricultural census data.	<u>Chapter 4 Housing Needs</u> In Elderly (65+) section, added new Table 13.4-12 Senior Households by Income and Tenure In Farmworker section, included additional narrative and data (new tables 13.4-15: Farm Operations and Farm Labor in Santa Clara County and 13.4-16: Migrant Worker Student Population).

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3. <i>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).)</i>		
a.	<p><u>Progress in Meeting the RHNA:</u> The element now demonstrates the anticipated affordability of approved, under construction and proposed developments through mechanisms such as affordable housing agreements and mentions approved projects are anticipated to be completed on or after June 30, 2022. However, the element must still address the availability of approved and proposed projects in the planning period and should include a program to monitor availability and take alternative action, if necessary, especially given the noted uncertainty associated with proposed projects (p. 13.6-5). Please see HCDs prior review for additional information. [11/18/22 B.3.a]</p>	<p><u>Chapter 2 Housing Plan</u> Action 9 Zoning Ordinance - Under Zoning Ordinance updated discrete objective, added administrative permit extension Action 10 Adequate Sites Inventory - Added 3 ongoing objectives to: - monitor approved/proposed projects on the Housing Sites Inventory - proactively notify applicants to apply for extension when entitlement nearing expiration - if proposed projects not approved within 2 years of HCD certificaiton of Housing Element, include additonal sites, as needed to ensure sufficient capacity to meet RHNA at all income levels</p> <p><u>Chapter 6 Housing Resources</u> In Pending or Proposed Projects section, added narrative explaining steps City will take to ensure pending/proposed projects complete development process and result in new units.</p>
b.	<p>In addition, the element was not revised to address the realistic capacity of the large several specific plans that were identified. As noted in HCDs prior review, the element should discuss planned built out horizons, necessary steps to make sites available and any impediments to the availability of sites for development in the planning period.</p>	<p><u>Chapter 6 Housing Resources</u> In the Realistic Capacity Calculations seciton, included additional methodology for calculating realistic capacity, buildout horizons for specific plan areas, and description of impediments to development.</p> <p><u>Chapter 2 Housing Plan</u> Added Action 19 Tasman East Specific Plan Amendment to add 1,500 units of capacity and update Tasman East infrastructure fee</p>
c.	<p><u>Parcel Inventory:</u> The element was revised to add the general plan designation of identified sites but should still describe existing uses as noted in the prior review. Specifically, the description of existing use is generic and must include sufficient detail to facilitate an analysis of the potential for addition development on nonvacant sites. For example, many sites describe existing uses as commercial or industrial. Instead, the inventory could describe the existing use through factors such as age and condition of the existing structure expressed developer interest, low improvement to land value ratio, and other relevant factors.</p>	<p><u>Chapter 6 Housing Resources</u> In the Realistic Capacity and Suitability of Non-Vacant Sites Section, added information about specific criteria used for assessment of the realistic availability of non-vacant sites during the planning period.</p> <p><u>Appendix B Sites Inventory</u> Added information to Sites Inventory table indicating relevant factors such as age, development interest, improvement to land value ratio. Included notes regarding specific criteria used for assessment of the realistic availability of non-vacant sites during the planning period.</p>
d.	<p><u>Suitability of Nonvacant Sites:</u> The element generally was not revised to address this requirement and demonstrate the potential for redevelopment of nonvacant sites. Further, the element should respond to the various site suitability issues described by comments received as part of this review. Please see HCD’s prior review for additional information.</p>	<p><u>Chapter 6 Housing Resources and Appendix B Sites Inventory</u> In response to comments received regarding site suitability, modified the Realistic Capacity and Suitability of Non-Vacant Sites section in Chapter 6 and removed several sites from the inventory. To address the reduction in the realistic capacity of sites to accommodate sufficient VLI units to meet the RHNA with an adequate buffer, rezoning sites were added along the El Camino Real corridor.</p> <p><u>Chapter 6 Housing Resources</u> In the Re-use of Sites section added language about sites that are subject to the re-use provisions of AB 1397 (2017) and that Action 9 Zoning Ordinance (Chapter 2 Housing Plan) will include provisions that any nonvacant site in the 6th Cycle Housing Element that was identified in a previous Housing Element would need to provide a minimum of 20 percent of the units affordable to lower income households in order to be approved by right.</p>

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e.	<p>In addition, as noted in the prior review, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, the housing element must demonstrate that the existing use is not an impediment to additional residential development in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA. Based on a cursory review, the City’s current Resolution Number 23-9189 does not appear to make the appropriate findings to demonstrate uses will likely discontinue in the planning period and any future re-adoption must address this requirement, if necessary.</p>	<p><u>Re-Adoption Resolution</u> Revised to include required findings to demonstrate uses will likely discontinue in the planning period.</p>
f.	<p><u>Availability of Infrastructure:</u> The element discusses infrastructure management plans and indicates infrastructure capacity is not a constraint on development but should also clearly state whether there is sufficient existing or planned total capacity to accommodate the RHNA. In addition, the element states the City has specific procedures to grant priority for water and sewer service to developments with units affordable to lower-income households, but then explains if a provision is not part of the regulatory framework the City will commit to adopting a procedure within the next year with no program provided. The element should clearly state whether a written procedure is available and, if not, add a program to establish a procedure by a specified date.</p>	<p><u>Chapter 5 Constraints</u> In the Water Supply section, added statement that the Addendum to the 2010 General Plan Update for the 6th Cycle Housing Element consolidates information about the prior water supply assessments for the development anticipated in the City's General Plan, including Specific Plan areas, and concludes that there is sufficient existing capacity to accommodate the City's RHNA.</p> <p><u>Chapter 2 Housing Plan</u> Added Action 20 Water and Sewer Affordable Housing Service Provisions with discrete objective to adopt procedures within six months of certification of the Housing Element to grant priority water and sewer service to development with units affordable to lower-income households.</p>
g.	<p><u>Electronic Sites Inventory:</u> For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. While the City has submitted an electronic sites inventory, if any changes occur, the City should submit the revised inventory to HCD as part of any future re-adoption submittal.</p>	<p>A revised Electronic Sites Inventory will be submitted to HCD as part of the re-adoption submittal</p>
i.	<p><u>Zoning for a Variety of Housing Types (Emergency Shelters):</u> The element now clarifies emergency shelters are currently permitted in the ML (Light Industrial) zone and are proposed to be permitted in several zones. However, the element was not revised to address HCD’s prior finding regarding various requirements such as non-discretionary review, suitability of sites, development standards and constraints. Please see HCD’s prior review for additional information. [11/18/22 B.3.i]</p>	<p><u>Chapter 5 Constraints</u> In Emergency Shelters section, added discussion that existing constraints to the location of emergency shelters are proposed to be removed as part of the Zoning Ordinance Update which will allow emergency shelters by right in the R-3 and R-4 Residential districts, the C-C and C-R Commercial districts, and the MU-VHD Mixed Use district, and with the issuance of a Minor Use Permit in the LI Light Industrial and PQP Public/Quasi-Public districts.</p> <p><u>Chapter 2 Housing Plan</u> Action 9 Zoning Ordinance, added bullet listing above changes that will expand the potential locations for emergency shelters throughout the City.</p> <p><u>Chapter 4 Housing Needs</u> In People Experiencing Homelessness section, added background information/data on emergency shelters and listed objective development standards for by-right permitting of emergency shelters.</p>

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	j. In addition, please be aware Chapter 654, Statutes of 2022 (AB 2339), adds specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD’s memo at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf.	<u>Chapter 4 Housing Needs</u> In the People Experiencing Homelessness section, identifies that the current permitting process for emergency shelters, which limits the number of beds that can be permitted by right in the City based on the prior year's count of people experiencing homelessness, will be removed as part of the Zoning Ordinance Update.
An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)		
	a. <u>Land Use Controls</u> : The element was generally not revised to address HCDs prior findings regarding heights and lot coverages as constraints. Please see HCD’s prior review for additional information. [11/18/22 B.4.a]	<u>Chapter 5 Constraints</u> To address HCDs prior comment that, "the analysis should specifically address heights, lot coverages, parking, and parking in the MU and TMU zones" a paragraph was added noting that both the MU - Mixed Use and TMU - Transit-oriented Mixed Use districts have not been used to zone any parcels within the City and have not been included in the City's Zoning Ordinance Update because there are no parcels in the City with a corresponding General Plan land use designation.
	b. In addition, Action 3 (Affordable Housing Incentives and Facilitation) and Action 9 (Zoning Ordinance) should go beyond reviewing parking standards and make specific commitment to reduce or revise parking requirements and ensure parking requirements do not constrain development.	<u>Chapter 2 Housing Plan</u> Action 3 Affordable Housing Incentives and Facilitation, revised ongoing objective noting that reduced parking requirements for transit-rich environments (from Zoning Ordinance Update) will be applied to the City's long-range plans. Action 9 Zoning Ordinance, in introductory language, described revisions to parking provisions that include reduced parking requirements and unbundled parking for multi-family uses in transit-rich environments.
	c. <u>Fees and Exaction</u> : While the element now quantifies the fees for a large multifamily development, it was not revised to address this finding of listing all pertinent fees as part of the cumulative fees analysis. Please see HCD’s prior review for additional information. [11/18/22 B.4.c]	<u>Chapter 5 Constraints</u> In Planning and Development Fees section, added to and revised narrative clarifying that Table 13.5-5 provides all fees that may be pertinent to different types of residential projects. Added notes to Table 13.5-5. Provided additional explanation of and conclusions from Table 13.5-6 and added notes to table with details of the residential prototype projects.
	d. <u>Local Processing and Permit Procedures</u> : The element now explains objective standards are used to demonstrate compliance with approval findings for architectural review. However, the element was not revised to address findings regarding the City’s planned development (PD) process. While the element now includes Action 9 (Zoning Ordinance) to reduce reliance on the PD process, it should include an analysis as described in HCD’s prior review to better formulate the appropriate programmatic response. Please see HCD’s prior review for additional information. [11/18/22 B.4.d]	<u>Chapter 5 Constraints</u> In the Planned Development section, added data (including Table 13.5-8) showing the limited recent use of Planned Development (PD) zonings for residential development and text explaining why use of PDs has and will be further diminished with other by-right/non-discretionary approval processes.
	h. <u>Housing for Persons with Disabilities (Reasonable Accommodation)</u> : The element now discusses the City’s obligation to provide reasonable accommodation in zoning and land use but otherwise, provides no analysis to address HCD’s findings. For example, the element does not list or evaluate approval findings. Please see HCD’s prior review for additional information. [11/18/22 B.4.h]	<u>Chapter 5 Constraints</u> In the Reasonable Accommodation section, included section from both current Zoning Code and Zoning Ordinance Update listing findings for approval or denial of a reasonable accommodation request.
	i. <u>Inclusionary Housing</u> : While the element describes the broader inclusionary housing policy framework, it must also provide an analysis on the relationship between the inclusionary requirement and State Density Bonus Law (SDBL). For example, the element should describe how meeting the inclusionary requirement may be used toward eligibility for benefits under SDBL.	<u>Chapter 5 Constraints</u> In Inclusionary Housing section, added statement that the provision of affordable units through the City's Inclusionary Housing Ordinance count toward units provided for the purpose of receiving benefits under the state's density bonus law. Added note that, as part of Action 2 Affordable Housing Ordinance (Chapter 2 Housing Plan), staff will bring forward a revised ordinance that includes deeper affordability, with all projects subject to these new provisions eligible for density bonus benefits.

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j.	In addition, housing element outreach conduct identified that the 100 percent area median income affordability requirement was no longer feasible for residents. In response, the City commits to “assessing the feasibility” in Action 2 (Affordable Housing Ordinance). The City should go above “assessing feasibility” of the current affordable housing ordinance and make specific commitments to also revise the City affordability requirements after the feasibility study has been conducted and include annual outreach as parts of this efforts.	<u>Chapter 2 Housing Plan</u> Action 2 Affordable Housing Ordinance, under the "By the middle of 2025" discrete objective, added that the City will conduct community outreach to present and receive feedback on the feasibility study and will bring the study and summary of community feedback to the City Council.
5.	<i>Analyze existing assisted housing developments that are eligible to change to non-low- income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)</i>	
a.	HCDs prior review found the element should evaluate the risk of conversion; estimate and compare total costs; identify public and private non-profits. In response, the City adds cost comparison of units at-risk; however, the City still must include analysis on the risk of conversion and identify qualified entities.	<u>Chapter 4 Housing Needs</u> In the At-Risk Housing Analyses section, identified examples of qualified entities and added assessment of risk of conversion. Estancia project removed from table of At-Risk projects because the affordability term, which is tied to their ground sub-lease term runs until July 1, 2053.
b.	In addition, Action 5 (Preservation of Assisted Rental Housing) now includes general commitment to work with property owners “when possible”. However, the Action should make specific commitments to monitor at-risk units annually, coordinate with qualified entities annually, prioritize available funding to assist property owners and tenants at risk of conversion.	<u>Chapter 2 Housing Plan</u> Action 5 Preservation of Assisted Rental Housing & NOAH, update introductory language to reflect that there are four (not five) assisted rental projects with a total of 45 units that are identified to be a potential, albeit very low, risk of conversion to market rate use between June 2028 and October 2031. Revised action and objectives to include monitoring of deed restricted and naturally occurring affordable housing (NOAH). Revised and added to ongoing objectives to make specific commitments to annually monitor and analyze inventory of at-risk units, to coordinate with qualified entities, work with tenants of at-risk units, and to explore new regional and state funding sources for preservation projects.
B. <u>Housing Programs</u>		
1.	<i>Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)</i>	
a.	Programs must demonstrate that they will have a beneficial impact within the planning period. Beneficial impact means specific commitment to deliverables, measurable metrics or objectives, definitive deadlines, dates, or benchmarks for implementation. Deliverables should occur early in the planning period to ensure actual housing outcomes. However, the following programs must be revised to include specific commitments and definitive timeline as follows:	<u>Chapter 2 Housing Plan</u> In addition to the revisions described below that address HCDs specfic comments on Actions 1, 3, 4, 11, 15, and 16, the City has revised several other Housing Plan actions and objectives to strengthen the City's commitment to accomplishing those programs within more defined timelines.
	Action 1 (Provision of a Variety of Housing Types) : The City should commit to identifying housing opportunities and pursing funds at least annually to support ELI households and persons with disabilities.	Action 1, added new objective to annually explore regional and state funding sources to build more housing opportunities for persons with disabilities and for extremely low-income households.
	Action 3 (Affordable Housing Incentives and Facilitation) : The Program was revised to include timing; however, language such as “ explore “should be removed or modified with commitment to actual housing outcomes.	Revised objective regarding Naturally Occurring Affordable Housing (NOAH) to replace "explore" language with "continue to coordinate with qualified entities" and moved from Action 3 Affordable Housing Incentives and Facilitation to Action 5 which was expanded to include Preservation of Assisted Rental Housing & NOAH.
	Action 4 (Maintenance of Housing Stock) : The Program now commits to conducting outreach to determine interest and feasibility but should include subsequent actions toward actual housing outcomes such as funding activities.	Action 4, added discrete objective that by fall 2025, the City will market future CDBG capital Notices of Funding Availability (NOFAs) to residential care facilities for repair and renovation work to begin in summer 2026, with the NOFA including extra points for projects that serve persons with disabilities and/or ELI households.

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		Action 11 (Impact Fees) : Timelines identified should be revised to reflect implementation during the eight-year planning period.	Action 11, timelines revised for implementation of discrete objectives to occur during the 6th Cycle Housing Element.
		Action 15 (Homeownership for First-Time Buyers) : The Program should add discrete timing for action implementation for outcomes (e.g., 2025).	Action 15, revised discrete objective to present proposed changes to BMP program from Housing Commission to City Council and added date for implementation of change by December 2025.
		Action 16 (Fair Housing Programs) : Action items identified should be revised to include timelines.	Action 16, revised and added new discrete objectives with specific timelines for City Council consideration/implementation
2. Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)			
	a.	As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.	<u>Chapter 2 Housing Plan</u> Action 9 Zoning Ordinance, based on complete site analysis, to address a shortfall of sites available to accommodate lower income housing units, added discrete objective to apply adopted zoning designations consistent with the City's General Plan, which will add additional housing sites totaling 1,242 units to the El Camino Real corridor. Also see Chapter 6 Housing Resources, revisions to Realistic Capacity Calculation section and Table 13.6-5 Sites to Meet the RHNA that include the El Camino Real rezoning sites.
	b.	In addition, the element includes Actions 1 (Variety of Housing Types) and 9 (Zoning Ordinance) to amend zoning to allow a variety of housing types, including SROs, employee housing, emergency shelters, low barrier navigation centers and by-right permanent supportive housing. However, the element should be revised to include at least parameters or certainty for the outcome of these commitments such as comply with state law citing government code or describing requirements (e.g., permit without discretionary action). In addition, the actions should commit to amending zoning for emergency shelters as described on page 13.5-10 and remove ambiguous and non-committal language such as “as necessary”.	<u>Chapter 2 Housing Plan</u> Action 1 Provision of a Variety of Housing Types, added language clarifying that the Zoning Ordinance update will include provisions allowing a variety of housing types through a by-right approval process using objective standards. Action 9 Zoning Ordinance, added bullet listing changes that will expand the potential locations for emergency shelters throughout the City. Removed non-committal "as necessary" language. Also see response to HCD comment A.3.j
3. Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)			
	a.	As noted in Finding A4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.	See Response / Revisions under A.4
	b.	In addition, Action 9 (Zoning Ordinance) was not revised to address all HCDs prior findings. Specifically, the City now acknowledges group homes of seven or more; however, it must commit to amend zoning for a variety of housing types in Action 1 by a specific date and clarify that zoning and permit procedures will be amended to permit these housing types in all zones allowing residential use with objective standards to facilitate approval certainty similar to other residential uses.	<u>Chapter 2 Housing Plan</u> Action 1 Provision of a Variety of Housing Types, added language clarifying that the Zoning Ordinance update will include provisions allowing a variety of housing types, including residential care facilities (group homes), through a by-right approval process using objective standards. Action 9 Zoning Ordinance, specified date (by November 2023) for completion of Zoning Ordinance update.

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4. <i>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...</i> (Gov. Code, § 65583, subd. (c)(5).)			
	a.	As noted in Finding A1, the element must include a complete analysis of AFFH. Based on the outcomes of that analysis, the element must add or modify programs. Additionally, the element included Table 13.3-20 (p. 13.3-72) identifying AFFH actions the City could take to address fair housing issues. For example, the Table notes the City could increase housing choice voucher (HCV) mobility and acquire properties for affordable housing. However, beyond promoting HCVs and exploring property acquisitions, the actions do not include specific commitments to addressing fair housing issues. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, milestones, and geographic targeting and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity and income areas, concentrated areas of affluence and place-based strategies toward community revitalization and displacement protection.	<u>Chapter 3 AFFH and Chapter 2 Housing Plan</u> Updated AFFH analysis and revised Housing Plan to include more specific goals and metrics toward mobility, outreach and education, new housing choices in South Santa Clara, and place-based strategies for increasing pedestrian/bike safety access in MTC Equity Priority Communitites and improving access to oportunity in HUD designated low/moderate income census tracts using CDBG dollars. See Respoonse / Revisions under A.1
5. <i>Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, "accessory dwelling units" has the same meaning as "accessory dwelling unit" as defined in paragraph (4) of subdivision (i) of Section 65852.2. (Gov. Code, § 65583, subd. (c)(7).)</i>			
	a.	Action 1 (Provision of a Variety of Housing Types) now commits to establish incentives to promote accessory dwelling units (ADU) as well as monitoring the production of ADUs. However, the Action should also monitor affordability, specify when a plan will be presented to the City Council and specify when an alternative strategy will be implemented (e.g., within six months). In addition, the Action should clarify that rezoning may be necessary as part of alternative actions.	<u>Chapter 2 Housing Plan</u> Action 1 Provision of a Variety of Housing Types, modified ongoing objective to include timeline (within six months of acceptance of APR) to present a plan to City Council to remove barriers and/or further incentivize ADU production (e.g., through additional Zoning changes) if the pace of production falls below anticipated levels. Added ongoing objective to continue participating in the development and implementation of the Santa Clara County Planning Collaborative ADU Program.
D. <u>Quantified Objectives</u>			
1. <i>Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)</i>			
	a.	The element was revised to include minimal ELI objectives added for rehabilitation and conservation while also reducing overall conservation and rehabilitation objectives. The City must revise overall conservation and rehabilitation objectives to target meaningful outcomes in the planning period. As noted in HCDs previous review, conservation units should not be limited to only units at-risk and should include other activities the City has undertaken to rehabilitate and conserve housing. Please see HCD’s prior review for additional information. [11/18/22 D.1.a]	<u>Chapter 2 Housing Plan</u> In the Quantified Objectives section, modified Table 13.2-1 Quantified Objectives to more clearly show the breakdown of units to be constructed, rehabilitated, and conserved by income level. Increased the total number of rehabilitation units and increased the total number of conservation units to include more than the units at-risk of conversion. Added explanatory footnotes below table and noted which actions in the Housing Plan support the quantified objectives for units to be rehabilitated and conserved.

HCD Comments March 28, 2023			Response / Revision
E. Public Participation			
1. <i>Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)</i>			
	a.	While the City made effort to include the public through workshops and surveys, and summarized public comments received and identified how public concerns were addressed. However, HCD received comments on this review that should be addressed, including considering and incorporating comments as appropriate. Example of issues include errantly listing small sites as aggregated sites, calculations of residential capacity and existing uses that impeded additional development in the planning period.	<u>Appendix A</u> Housing Action Coalition (HAC) 1/22/23 and 2/23/23 comment letters added. See revisions to Chapter 6 Housing Resources, summarized in section A.3 above
	b.	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. Please be aware, any revisions to the element must be posted on the local government’s website and to email a link to all individuals and organizations that have previously requested notices relating to the local government’s housing element at least seven days before submitting to HCD.	Throughout the process, the City's Housing Element Update page has been regularly maintained with updated background information, key public/stakeholder outreach dates, and documents, including all prior draft Housing Element documents and correspondence/comments received. The City's Housing Element Update topic subscribers (1,926 as of 6/9/23) have received bulletins (emails) to alert them about the availability of drafts of the Housing Element and public hearing dates. Revisions to the Housing Element will be posted for a minimum of seven days prior to submittal to HCD.
F. Consistency with General Plan			
1. <i>The Housing Element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)</i>			
	a.	While the element states it has been prepared to maintain internal consistency, it still should discuss how consistency will be maintained throughout the entire planning period. For example, the element could describe internal consistency will be maintained as part of the annual progress report pursuant to Government Code section 65400 or as general plan amendments occur.	<u>Revised Chapter 1 Introduction</u> Added statement that General Plan consistency will be evaluated and maintained through annual progress report (APR) and as general plan amendments occur.