

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

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March 29, 2024

Christian Murdock, Planning Director
Planning Department
City of Pacifica
540 Crespi Drive, Address
Pacifica, CA 94044

Dear Christian Murdock:

RE: City of Pacifica's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the City of Pacifica's (City) housing element that was adopted January 22, 2024 and received for review on January 26, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. The review was facilitated by a conversation on February 28, 2024 with you and your staff. In addition, HCD considered comments from Pacifica Housing 4 All (PH4A), CKS Environmental, Peter Loeb, Sheryl Calson, Peter Prows, Caitlin Quinn, Cindy Abbott and Suzanne Moore pursuant to Government Code section 65585, subdivision (c).

The adopted housing element addresses some of the statutory requirements described in HCD's August 8, 2023 review; however, additional revisions are necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that failed to adopt a compliant housing element within 120 days from the statutory deadline cannot be found in compliance until rezones to make prior identified sites or accommodate a shortfall of sites are completed pursuant to Government Code sections 65583, subdivision (c)(1)(A) and 65583.2, subdivision (c). As this year has passed and the necessary rezones are not complete (Programs 1-1 General Plan and Zoning Amendments to Achieve regional housing needs allocation (RHNA)), the housing element is out of compliance and will remain out of compliance until the rezoning have been completed.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. During the housing element revision process, the City must continue to engage the community, including organizations that

represent lower-income and special needs households, by making information regularly available while 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.

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.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

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 Jose Armando Jauregui, of our staff, at Jose.jauregui@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF PACIFICA

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs, Resources, and Constraints

1. *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).)*

Progress toward the Regional Housing Need Allocation (RHNA): The element identified 227 units including 52 units for lower-income households as credit towards the RHNA. HCD's prior review found that the element must analyze and demonstrate the availability of these units during the planning period. The element was revised to indicate that 107 units are pending but likely to be built during the planning period. However, the element needs to provide support for the assertion that pending units will likely be built during the planning period. As found in HCD's prior review, to demonstrate the availability of these units, the element could analyze infrastructure schedules, City's past completion rates on pipeline projects, outreach with project developers, describe any expiration dates on entitlements, anticipated timelines for final approvals, and any remaining steps for projects to receive final entitlements. Lastly, the element should also add or modify programs committing to monitoring, facilitating and encouraging the development of these units.

Realistic Capacity (Sites in Zones that Allow 100 Percent Nonresidential Uses): The element was revised to state that the City will require a certain percentage of residential and will not allow 100 percent nonresidential projects (p. F-47). However, the element did not include any corresponding programs to implement this action. As found in HCD's prior review, the element must analyze the likelihood that the identified units will be developed as noted in the inventory in zones that allow 100 percent nonresidential uses. This analysis should consider the likelihood of nonresidential development, performance standards, and development trends supporting residential development.

Suitability of Nonvacant Sites: The element was revised to indicate various criteria utilized when identifying the redevelopment potential on nonvacant sites. In addition, the element includes a listing of local and regional projects that share similar characteristics. However, while the element indicates which factors apply to different sites, as found in HCD's prior review, the element must quantify these factors for each site (e.g., building age, LIR, etc.). Based on a complete analysis, the element may need to add or revise programs to encourage redevelopment.

In addition, to provide sufficient capacity for the RHNA during the planning period and as part of identifying sites with potential for development, the element should consider public comments received regarding the inclusion of sites from property owners written interest in residential development in the planning period.

Availability of Infrastructure: HCD's prior review found that the element must include additional discussion regarding the adequacy of sewer and water capacity (existing or planned) during the planning period to accommodate the RHNA. The element was revised to indicate that certain water pump stations will need to be improved to accommodate the City's capacity and the City's Capital improvement plan includes a commitment to implement these changes. First, the element still should indicate accessibility of infrastructure to identified sites and whether there is sufficient water and sewer capacity (planned or existing) to accommodate the entire RHNA. Second, the element must include a program committing to actions such as the water pump improvements and a timeline to make sufficient infrastructure available to accommodate the RHNA.

Zoning for a Variety of Housing Types:

- *Emergency Shelters* – Emergency Shelters parking requirements should be updated pursuant to AB 139 (Chapter 335, Statutes of 2019) which requires only sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone. The element should demonstrate compliance with this requirement and include or modify programs as appropriate.
- *Transitional and Supportive Housing* –While the element includes Program HE 1-14 (State and Federal Law Conformance), this Program only commits to complying with Government Code section 65651 which is intended for a specific type of supportive housing. The element must also add or modify programs to permit transitional and supportive housing as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone.
- *Single-Room Occupancy (SRO) Units*: HCD's prior review found that the City defines SROs as boardinghouses and must include a complete analysis to evaluate any constraints on this housing type. The element was revised with Program HE-1-14 (State and Federal Law Conformance) indicating that the City

will "consider" explicitly defining and permitting SROs. However, as found in HCD's prior review, SROs provide a valuable source of affordable housing especially for persons experiencing homelessness and extremely low-income households. As such, the element should go beyond "consider" and include a specific commitment to defining, permitting and facilitating the development of SROs.

2. *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).)*

Constraints on Housing for Persons with Disabilities (Reasonable Accommodation):

HCD's prior review found that the City must analyze all decision-making criteria including approval findings for potential constraints on housing persons with disabilities. The revised element noted several subjective approval findings including whether the request would have adverse impacts on coastal resources, architectural compatibility or adverse effect on people working or residing in that area. The element further indicated that it is not common for reasonable accommodation requests to be denied due to these findings and therefore it is not considered a constraint. However, several of these findings are subjective and similar to a conditional use permit finding. Reasonable accommodation should be a unique exception process from a conditional use permit, especially given its importance in addressing barriers to housing for persons with disabilities. The element should include a program to amend the reasonable accommodation ordinance and remove constraints, namely subjective approval findings.

3. *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).)*

HCDs prior review found the element should evaluate the risk of conversion and analyze the cost for replacing versus preserving the units. The element was revised to include some general statements regarding conversion risk. However, as found in HCD's prior review, the element must estimate and analyze the cost for replacing versus preserving the units. For more information on the analysis, please visit:

<https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/assisted-housing-developments-risk-conversion>.

B. Housing Programs

1. *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).)

As noted in Finding A1, 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. In addition, programs should be revised as follows:

- *Program HE – 1-1 (General Plan and Zoning Amendments)* – The element shows a shortfall of 1,356 units including 660 units for lower-income households to accommodate the RHNA. While the element included programs committing to rezoning, these programs must specifically commit to all of the rezone requirements pursuant to Government Code sections 65583, subdivision (c)(1) and 65583.2, subdivisions (h) and (i). Examples of requirements include permitting, without discretionary action, multifamily developments in which 20 percent or more of the units are affordable to lower-income households, requiring minimum densities and residential performance standards. For more information, please see HCD's site inventory guidance memo: https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf.
- *Program HE – 1-4 (Accessory Dwelling Units (ADUs))*: While the element was revised to include a commitment to monitoring ADU development and implementing alternative actions, the element must include a timeline for when the City will implement any required alternative actions.
- *Program HE – 1-2 (Zoning Modernization and Streamlining)*: The element is assuming that several parcels will be consolidated into larger sites to accommodate the lower-income RHNA. This assumption is based on ownership patterns and adjacency of parcels. This program indicates that the City will consider lot merger incentives. However, the element must also include a program with a specific commitment to establishing incentives and other actions to facilitate consolidation and development on small sites.
- *Publicly Identified Sites*: The element included Program 1-1 (General Plan and Zoning Amendments) and 1-3 (Public Land Planning) to address development on publicly identified sites. However, as found in HCD's prior review, this Program must be revised with additional actions, firm commitments, discrete timelines, and quantifiable metrics. Additional actions to facilitate development should

include frequent outreach with developers, any necessary rezoning, incentives such as financial assistance, issuing requests for proposals, facilitating any subsequent entitlements, and numerical objectives by affordability.

2. *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).)*

As noted in Findings A2 and A3, 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.

3. *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... (Gov. Code, § 65583, subd. (c)(5).)*

The element was revised with some changes to affirmatively furthering fair housing (AFFH) programs including further clarification on how these actions relate to addressing fair housing issues. However, as found in HCD's prior review, actions should generally address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection. Additionally, given the City's patterns of being largely affluent and highest resource, the element must include significant and robust actions (not limited to the RHNA) to promote housing mobility and increasing housing choices and affordability throughout the City, including lower-density neighborhoods. Actions should be added and revised with significant and meaningful numeric targets and geographic targets throughout the City, including lower-density neighborhoods. Examples include creating more housing choices and affordability in single-family neighborhoods beyond complying with law (e.g., SB 9, ADUs) such as missing middle housing types, targeting affordable housing funding, homesharing, more than one unit of converted space within a single-family structure, increased multifamily capacity, enhanced efforts on religious institutional sites and other alternative land use and financing strategies.