

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

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January 13, 2023

David Carmany, City Manager
City West Covina
144 W. Garvey Ave. South, Room 208
West Covina, CA 91790

Dear David Carmany:

RE: West Covina's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of West Covina's housing element that was adopted November 15, 2022 and received for review on November 16, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on December 6, 2022 with John Douglas, Consultant. In addition, HCD considered comments from David Kellogg pursuant to Government Code section 65585, subdivision (c).

The adopted housing element addresses a number of statutory requirements described in HCD's January 14, 2022 review. However, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code). See enclosed Appendix.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that failed to adopt a compliant housing element within one year from the statutory deadline cannot be found in compliance until rezones to make prior identified sites available and accommodate a shortfall of sites pursuant to Government Code section 65583, subdivision (c)(1)(A) and Government Code section 65583.2, subdivision (c) are completed. As this year has passed and Program 5.1 (Adequate Sites) has not been completed, the housing element will remain out of compliance until the rezoning has 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

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notices relating to the local government's housing element at least seven days before submitting to HCD.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City of West Covina 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>.

HCD appreciates the diligence the City's housing element update team provided. 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 Brandon Yung, of our staff, at brandon.yung@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager

APPENDIX CITY OF WEST COVINA

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. *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).)*

Integration and Segregation (Income): The element provided some information on local patterns and trends and a brief statement acknowledging disparities between incomes based on HUD income categories. However, this analysis should also utilize state median income data and specifically analyze patterns and trends within the City, including examining coincidence with other fair housing factors (e.g., race, overpayment, displacement risk) and incorporating local data and knowledge and other relevant factors (See below). Please see HCD's data viewer at <https://affh-data-resources-cahcd.hub.arcgis.com/>.

Disproportionate Housing Needs: The element includes some general information on persons experiencing homelessness but should also evaluate those needs, impacts and patterns within the City, such as areas of higher need. For example, the element should examine patterns of need or areas with higher concentrations of persons experiencing homelessness, including access to transportation and services. The element should utilize local data and knowledge such as service providers to assist this analysis.

Sites Inventory: The element must include an analysis demonstrating whether sites identified to meet the Regional Housing Needs Allocation (RHNA) are distributed throughout the community in a manner that Affirmatively Furthering Fair Housing (AFFH). A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that effects 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. If sites exacerbate conditions, the

element should identify further program actions that will be taken to mitigate this (e.g., anti-displacement strategies).

Local Data and Knowledge and Other Relevant Factors: The element must supplement the analysis and complement state and federal data with local data and knowledge to capture emerging trends and issues, including utilizing knowledge from local and regional advocates, public comments, and service providers. Additionally, the element should utilize other relevant factors in the assessment of fair housing and analyze historical and current land use, zoning and past local land use related initiatives, governmental and nongovernmental spending including transportation investments, utilization of publicly owned sites for housing affordable to lower-income households, demographic trends, historical patterns of segregation, or other information that may have impeded housing choices, affordability and mobility or effect the socio-economic patterns.

Contributing Factors: Based on the outcomes of a complete analysis, the element should re-assess and prioritize contributing factors to fair housing issues.

2. *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).)*

Extremely Low-Income (ELI) Households: While the element was updated to include the number of ELI HHs by tenure and level of overpayment, it must still evaluate the disproportionate housing needs of this income group. Please see HCD's prior review for additional information.

3. *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).)*

Housing Costs: The element now includes median rents based on census data. However, the element should reflect current market data. For example, the element could utilize data from Zillow or Apartments.com. In addition, the could discuss typical rents over time or compared to the region and the impacts on housing affordability.

4. *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).)*

Realistic Capacity: While the element now lists recent projects and supports residential capacity assumptions as a proportion of maximum allowable densities, it was not revised to account for the likelihood of 100 percent non-residential uses. Please see HCD's prior review for additional information.

Suitability of Nonvacant Sites: The element still must include an analysis demonstrating the potential for redevelopment of nonvacant sites. While the adopted element was updated to include assessed improvements-to-land ratios and descriptions of existing uses in the sites inventory (pp. 97-111), the element should be revised, as follows:

- *Parcel Listing*: The parcel listing should include additional factors that describe existing uses such as floor area ratios and age of structure.
- *Trends*: While the element list recent projects, it should also describe those projects, including prior use and indicators of redevelopment and relate those trends to sites identified in the inventory.
- *Existing Uses*: The element should include a discussion of the extent existing use and impediments to additional developments. For example, the element includes sites identified as retail, residential home, market, and parking lot, but no analysis was provided to demonstrate whether these existing uses would impede development of these sites within the planning period. The analysis should address current market demand for the existing use, leases or contracts that would perpetuate the existing use or prevent additional residential development and any other relevant factors demonstrating redevelopment potential.

In addition, as noted in the prior review, the element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue 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. While the City made the appropriate findings in its November 2022 adoption, it should still make the appropriate finding as part of any re-adoption.

Large Sites: The element was not revised to address this requirement. Please see HCD's prior review for additional information.

City-Owned Sites: The element was not revised to address this requirement. Please see HCD's prior review for additional information.

Sites Identified in Prior Planning Period: While the element now includes a program to make prior identified sites available in the planning period, it should still denote which sites have been identified in prior planning periods. Please see HCD's prior review for additional information.

Electronic Sites Inventory: 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. Please see HCD's prior review for additional information.

Zoning for a Variety of Housing Types (Emergency Shelters): While the adopted element was updated with Program 3.1 to comply with AB 139, subsequent submittals must comply with the requirements of Chapter 654, Statutes of 2022 (AB 2339). Please note, these requirements became effective on January 1, 2023 and apply to any housing element submitted after January 1, 2023 if a jurisdiction failed to submit the initial draft before the due date of the housing element. Among other changes, these amendments specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. For more information and applicable timing, see HCD's AB 2993 memorandum at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

5. *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).)*

Land Use Controls: The element generally was not revised to address this requirement. Please see HCD's prior review for additional information.

In addition, the element should discuss compliance with permit streamlining act and California Environmental Quality Act streamlining and add or modify programs as appropriate.

Constraints on Housing for Persons with Disabilities: While the element now generally mentions the reasonable accommodation procedures contains constraints on housing for persons with disabilities, it should evaluate those constraints to better inform policies and programs. In addition, the element identifies the definition of family and concludes it is not a constraint but should provide analysis. This is particularly important since the definition appears to exclude group homes. Please see HCD's prior review for additional information.

Zoning, Development Standards and Fees: While the element now includes Program 3.3 (p. 12) to comply with transparency requirements for zoning, and development standards and fee requirements, the program must include discrete timing for the program to ensure a beneficial impact throughout the planning period.

6. *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).)*

The element now lists at-risk units by elderly and non-elderly units, concludes there are no units at-risk of conversion to market rate uses in the next ten years and omits the analysis of risk and replacement costs. However, based on HCD records, the City does have units at-risk of conversion to market rate uses. The element should reconcile this information and revise the analysis as appropriate. HCD will send additional information on at-risk properties under separate cover.

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... (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A4, 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.

2. *The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

While the element now includes various actions to assist in the development of housing for lower-income and special needs households, it must still include actions to assist the development of housing for extremely low-income households. Please see HCD's prior review for additional information.

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).)*

As noted in Findings A5, 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.

4. *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).)*

As noted in Finding A1, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. 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, milestones, geographic targeting and metrics or numerical targets and, as appropriate, address housing mobility enhancement, new housing choices and affordability in higher opportunity or higher income areas, place-based strategies for community revitalization and displacement protection.

5. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a)... (Gov. Code, § 65583, subd. (c)(6).)*

Program 1.2 (Monitor and Preserve Affordable Housing): While the Program now commits to reach out to owners, it should still consider funding as appropriate, support funding applications and provide assistance and education for tenants. Please see HCD's prior review for additional information.

C. Quantified Objectives

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).)

As noted in the prior review, the element should still consider additional conservation objectives. These objectives should not be limited to at-risk preservation. Please see HCD's prior review for additional information.

D. Public Participation

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)(8).)

The element now mentions a list of stakeholders and notification for public workshops and the availability of the housing element. However, as noted in the prior review, the City should employ additional methods for public outreach efforts in future versions of the housing element, particularly to include lower-income and special needs households and

neighborhoods with higher concentrations of lower-income households. Please see HCD's prior review for additional information.

In addition, the adopted element does to make clear whether revisions were made available to the public prior to its presentation to the Planning Commission on October 11, 2022. Please note, new public participation requirements pursuant to AB 215 (Chapter 342, Statutes of 2021) requires the City to post draft revisions on its internet website and email a link to the draft revision to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting the draft revision to the department.