

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



February 23, 2023

Rob Eastwood, Director
Community Development Department
City of Campbell
70 North First Street
Campbell, CA 95008

Dear Rob Eastwood:

RE: City of Campbell's 6th Cycle (2023-2031) Revised Draft Housing Element

Thank you for submitting the City of Campbell's (City) revised draft housing element update received for review on December 27, 2022 along with draft revisions on February 21, 2023. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from several stakeholders and members of the community, pursuant to Government Code section 65585, subdivision (c).

The revised draft element addresses many statutory requirements described in HCD's September 28, 2022 review; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code), as follows:

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. (Gov. Code, § 65583, subd. (c)(5).)

Disproportionate Housing Needs: The element was revised to analyze its code enforcement practices and housing conditions (p. H-II-92 and 93). However, the element must evaluate patterns within the City for overpayment and people experiencing homelessness. For example, the element could explain if there are areas of the City with more people experiencing homelessness than other areas. Based on the outcomes of this analysis, the element should add or modify

programs such as geographically targeting efforts as part of Program H-5e (Homeless Assistance).

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

Suitability of Nonvacant Sites: While the element provides a general description of the potential for housing in different typologies, it should demonstrate the potential for redevelopment on identified sites, as follows:

- *Redevelopment Factors*: The element currently utilizes five different potential findings to describe the potential for redevelopment (Table IV-9). However, the element should include additional factors such as age of structure, Assess Value Ratio (AV) and existing versus allowable Floor Area Ratio (FAR) to better demonstrate the potential for redevelopment.
- *Trends and Recent Experience*: The element must support the validity of the redevelopment factors using trends and recent experience. While the element includes some data from recent nonresidential conversions to residential uses, it should expand the data to other recent experience and analyze how those trends relate to the utilized redevelopment factors. For example, the element could utilize pipeline projects (Table IV-3) to assist with this analysis.
- *Extent Existing Uses Impede Additional Development*: As noted in the prior review, the element should account for the extent existing uses impede additional residential development including market demand for the existing use and existing leases or contracts that would perpetuate the existing use or prevent additional residential development. The element could utilize representative typologies of existing uses from the sites inventory (e.g., aging commercial corridors, single story light industrial, parking lots) and their redevelopment potential to assist with this analysis.

In addition, because the City relies on nonvacant sites to accommodate more than 50 percent of the Regional Housing Needs Allocation (RHNA) for lower-income households, the housing 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).) For your information, absent findings in the resolution as part of adoption 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.

Zoning for a Variety of Housing Types (Emergency Shelters): The element was revised to address the habitability of the M-1 zone and describes plans to expand the areas where emergency shelters are permitted (p. H-II-126). However, it must also describe the development standards for emergency shelters in the M-1 zone.

For your information, statute was recently amended to specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Future submittals may need to address these requirements. 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>.

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 housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

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.

In addition, because adequate sites for lower-income households were not rezoned prior to the beginning of the planning period (January 31, 2023) and rezoning is necessary to accommodate a shortfall of adequate sites in the planning period, sites must permit housing by-right pursuant to Government Code sections 65583, subdivision (c)(1) and 65583.2, subdivisions (h) and (i). In addition, if relying on sites with zoning allowing less than 30 units per acre to accommodate the housing needs of lower-income households, the element must include an analysis pursuant to Government Code section 65583.2, subdivision (c).

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

Program H-3g (Zoning Amendments for Special Housing Needs): The Program should clarify zoning and procedures will permit group homes for seven or more persons (licensed and unlicensed) in all zones allowing residential uses similar to other residential uses of the same form in the zone.

4. *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).)*

The element was revised with quantified objectives for conservation by income group. However, the element should consider additional quantified objectives beyond at-risk preservation to better reflect the City's targets to conserve and improve the affordable housing stock, particularly for lower-income households, including extremely low-income households. For example, these quantified objectives could consider the many actions intended to mitigate displacement risk.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and, if necessary, re-adopted to comply with the above requirements pursuant to Government Code section 65585.

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 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.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the RHNA, including for lower-income households, shall be completed no later than one year from the statutory deadline. Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until all necessary rezones pursuant to Government Code section 65583, subdivision (c) (1) (A) and Government Code section 65583.2, subdivision (c) are completed.

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>.

HCD appreciates the hard work and dedication you; Stephen Rose, Senior Planner, and your consultants, Geoffrey Bradley, Asher Kohn, and Sung Kwon provided in preparation of the City's housing element. If you have any questions or need additional technical assistance, please contact Shawn Danino, of our staff, at shawn.danino@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