

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Housing Policy Development

Division

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November 15, 1990

Mr. Bruce Liedstrand  
Interim City Manager  
City of East Palo Alto  
2415 University Avenue  
East Palo Alto, CA. 94303

RE: Review of City of East Palo Alto's Draft Housing Element

Dear Mr. Liedstrand:

Thank you for submitting East Palo Alto's draft housing element, received October 22, 1990, for our review. As you know, we are required to review draft housing elements and report our findings to the locality (Government Code Section 65585(b)). Identified concerns were reviewed in a telephone conversation on November 7, 1990, with Bruce Balshone, the City's Planning Director. This letter and appendix contain a summary of that discussion.

The draft element contains much useful information about the City. In our opinion, however, revisions are needed for the element to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element should clarify the inventory of adequate sites, expand the analysis of governmental constraints, establish quantified objectives, and provide program actions. The Appendix to this letter outlines these and other recommended changes.

Chapter 1451, Statutes of 1989, required all housing elements to include, by January 1, 1992, additional needs analyses and programs to address the potential conversion of existing assisted housing developments to non-low-income housing uses during the next ten-year period (Government Code Section 65583 (a)(8) and (c)(6)). We are enclosing an outline of these requirements. Our comments are provided to assist the City in meeting them. However, because these revisions are not required until January 1, 1992, our comments will not affect the compliance status of the element until that deadline.

Mr. Bruce Liedstrand  
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The enclosed "Supplemental Housing Element Information" outlines other recent legislative changes that may affect your housing programs. The supplement also contains information on the availability of recent State bond funds for financing the development and rehabilitation of affordable housing.

Finally, because the effect of policies enacted by a jurisdiction may hinder its ability to maintain and develop affordable housing, we advise that the City examine the operation and effect of its rent stabilization ordinance to ensure that it does not have any adverse impact on those objectives.

We hope our comments are helpful to the City and we appreciate the cooperation and assistance of Mr. Balshone during the course of our review. If you have any questions about our comments, please contact Gary Collord of our staff at (916) 327-2644.

In accordance with requests pursuant to the Public Records Act, we are forwarding copies of this letter to the persons and organizations listed below.

Sincerely,



Nancy J. Javor, Chief  
Division of Housing Policy  
Development

Attachments

cc: Bruce Balshone, Planning Director, City of East Palo Alto  
Gathier Lowenstein, Consultant  
Antonio Estremera, Community Legal Services  
Beverly Lawrence, Midpeninsula Citizens for Fair Housing  
League of Women Voters of San Mateo County  
David Booher, California Housing Council  
Sue Hestor, Attorney at Law  
Gary Hambly, Building Industry Association  
Tom Cook, Bay Area Council  
Revan A.F. Tranter, Association of Bay Area Governments  
Kathleen Mikkelson, Deputy Attorney General  
Bob Cervantes, Governor's Office of Planning and Research  
Richard Lyon, California Building Industry Association  
Kerry Harrington Morrison, California Association of Realtors  
Marc Brown, California Rural Legal Assistance Foundation  
Christine D. Reed, Orange County Building Industry Association  
Rob Wiener, California Coalition for Rural Housing

## APPENDIX

### City of East Palo Alto

The following changes would, in our opinion, bring East Palo Alto's housing element into compliance with Article 10.6 of the Government Code. Following each recommended change or addition, we refer to the applicable provision of the Government Code. Where particular program examples or data sources are listed, these suggestions are for your information only. We recognize that East Palo Alto may choose other means of complying with the law.

#### A. Housing Needs, Resources, and Constraints

1. Clarify the amount of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and analyze the availability of public services and facilities (Section 65583 (a)(3)).

In addition to the information provided, Table H-3 should indicate the development density range of each zone and the anticipated development density for each site included in the inventory. The element should also analyze the availability of services and facilities to these sites. The inventory should clarify which sites can be developed and served by public services and facilities within the planning period.

2. Expand the analysis of special housing needs groups to include the needs of female-headed households, large families, farmworkers, the elderly, and the handicapped (Section 65583 (a)). An adequate analysis should quantify the total number of persons or households in a group; provide a quantification and qualitative description of the need; and identify potential solutions and resources to address the need. If a particular special need does not exist, the element should indicate this.

The element indicates the City's intention of providing an updated analysis of the special needs groups when information from the 1990 Census is available. While we encourage such an update, the draft element should still analyze the special housing needs of these groups using the most recent information available.

3. Expand the analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income groups to include a more thorough analysis of the City's land use controls (e.g., building height, setback, and parking requirements) and on- and off-site improvements (e.g.,

street and sidewalk standards, or landscape easement requirements) and code enforcement procedures (Section 65583 (a)(4)).

While the element includes summary information for some of these potential constraints, more specific information is needed to determine whether they pose actual constraints in the locality. For example, the analysis of setbacks and parking should indicate the specific requirements for the City's residential zones. Where constraints exist, the element should include programs to mitigate them or, where appropriate and legally possible, remove them (Section 65583 (c)(3)).

4. Analyze the availability of financing, the price of land, and the cost of construction as potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income groups (Section 65583 (a)(5)). The analysis provided of affordability constraints, housing values, and lack of investor interest and capital is very well presented. The analysis, however, should be expanded to address the above factors as follows:

- a. The analysis of the availability of financing should consider whether financing is generally available and whether there are mortgage deficient areas in the community for purchase, new construction, or rehabilitation loans.
- b. The analysis of land costs should include an estimate of the average per-unit cost of land, or the range of per-unit costs for land in single-family and multifamily zoned areas.
- c. The construction cost analysis should focus on cost to the developer, exclusive of profit, but including land, fees, material, labor and financing.

D.K.  
B. Quantified Objectives

Establish the maximum number of housing units that can be constructed, rehabilitated, and conserved during the planning period of the element (Section 65583 (b)). The element includes policies for the rehabilitation and conservation of affordable housing units, but no quantified objectives.

The element establishes quantified objectives for new construction based upon the City's estimation of the need for new housing for each income group. The objectives, however,

should be based upon the Association of Bay Area Governments (ABAG) regional housing needs figures. Ideally, objectives for new construction will be equal to identified needs as determined by ABAG. However, the statute acknowledges that when a locality has determined that total housing needs exceed available resources, the quantified objectives may be less than the total identified need. Under these circumstances, the element should include the analysis used to establish the maximum objectives.

C. Programs

1. Identify adequate sites which will be made available through appropriate zoning and development standards, and with public services and facilities needed to facilitate and encourage the development of a variety of housing for all income levels, including sites for emergency shelter and transitional housing (Section 65583 (c)(1)). Without a complete land inventory as described in Item A-1, the adequacy of identified sites cannot be determined.

The analysis of the City's homeless situation clearly demonstrates an unmet need. While the City's policies for providing financial assistance to existing shelters is commendable, the element should still designate adequate sites for emergency shelter and transitional housing to accommodate the unmet need. This requirement can be met by including emergency shelters and transitional housing as a permitted use in one or more of the City's zones.

The element appears to indicate the City's desire to accommodate additional shelter needs by promoting or assisting with the expansion of existing sites. If this is the case, the element should demonstrate that existing sites have enough room for future expansion sufficient to accommodate existing homeless needs in the community. We are enclosing our technical assistance paper "Housing for the Homeless" to assist the City in meeting these housing element requirements.

2. Address and, where legally possible, remove governmental constraints to the maintenance, improvement, and development of housing for all income levels (Section 65583 (a)(4-5)). The need to mitigate governmental constraints cannot be determined in the absence of a full constraints discussion (see item A-3 above).
3. Include a schedule of program actions the City intends to undertake to implement the policies and achieve the goals and objectives of the element (Section 65583 (c) (1-5)).

The element describes an array of housing goals, objectives and policies, but does not identify program actions for their implementation.

Programs should include a time frame and an identification of the agency responsible for implementation (Section 65583 (c)). In our opinion, program descriptions should be as detailed as possible, specifying funding sources and estimated allocations if known, the quantified objectives of the program, and the specific steps to be taken by the local government to implement the programs. Policies to "encourage" or "consider" certain actions do not demonstrate commitment to implement or detail what specific steps the City will take. To assist the City in this effort, we are enclosing examples of well-defined programs from other housing elements.

4. Include a program to promote equal housing opportunity (Section 65583 (c)(5)). While the element describes goals, objectives, and policies for promoting equal housing opportunity, it does not describe a specific program action. A local equal housing opportunity program should provide some means for the resolution of housing discrimination complaints, and be promoted throughout the community.

D. Other

1. Describe the City's efforts, in developing the housing element, to achieve the public participation of all economic segments of the community (Section 65583 (c)). The element should describe the steps taken to ensure representative participation by all economic groups. D.K.
2. Describe in the element the means by which consistency will be achieved with other general plan elements (Section 65583 (c)). The goals, policies, and objectives of the housing element should be analyzed for consistency with those of the land use, circulation, and open space elements, zoning ordinances, congestion management plans, and redevelopment and capital improvement plans, if any. Conflicts should be acknowledged and amendments made to eliminate them. D.K.