

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

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December 23, 2024

Michael G. Pitcock, City Manager  
City of Waterford  
101 E Street  
Waterford, CA 95386

Dear Michael G. Pitcock:

**RE: City of Waterford's 6<sup>th</sup> Cycle (2023-2031) Revised Draft Housing Element**

Thank you for submitting the City of Waterford's (City) revised draft housing element received for review on October 28, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The revised draft element addresses many statutory requirements; however, revisions will be 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.

As a reminder, the City's 6th cycle housing element was due December 31, 2023. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described, adopt, and submit to HCD to regain housing element compliance.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City did not adopt a compliant housing element within 120 days of the statutory deadline (December 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA) shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the City does not adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until all necessary rezones are completed pursuant to Government Code section 65583, subdivision (c)(1)(A) and 65583.2, subdivision (c).

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.

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 Affordable Housing and Sustainable Communities program, 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 assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Emily Hovda, of our staff, at [Emily.Hovda@hcd.ca.gov](mailto:Emily.Hovda@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager

Enclosure

## APPENDIX CITY OF WATERFORD

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. Review and Revision**

1. *Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)*

Adequate Sites Rezone: As noted in HCD's prior review, while Ordinance 2018-06 addresses minimum density requirements and performance standards for mixed-use development, the element should still clarify that the requirements of Government Code 65583.2(h) and (i) were met. If the element does not demonstrate compliance with the statutory requirements, it must include a program to address these requirements, as appropriate. Please see HCD's prior review for additional guidance.

Special Housing Needs: As noted in prior review, the element must provide an evaluation of the cumulative effectiveness of goals, policies, and related actions in meeting the housing needs of special-needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness). Programs should be revised as appropriate to reflect the results of this evaluation.

### **B. 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).)*

Enforcement and Outreach: While the element now includes additional information regarding the City's ability to address fair housing issues, it should still address any past or current fair housing lawsuits, findings, settlements, judgements, or complaints.

Additionally, the element briefly mentions the City of Ceres in relation to compliance with fair housing laws (p. 104). The element should be revised to limit discussion of compliance with fair housing laws to the City of Waterford.

Local Patterns and Trends: While the element now discusses patterns of integration and segregation, it should still discuss local patterns and trends in disparities to access to opportunity (education, environmental, transportation, economic). The element should also analyze coincidences with other components of the assessment of fair housing. Additionally, the element should discuss and analyze any areas of the City with a higher number of units in need of rehabilitation and replacement.

Local Data, Knowledge, and Other Relevant Factors: As noted in prior review, 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. Please see HCD's prior review for additional guidance.

Contributing Factors to Fair Housing Issues: 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).)*

*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).)*

*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).)*

Special Housing Needs: While the element now includes more information about the housing needs of special housing needs populations, it should still describe and analyze existing resources available to extremely low-income (ELI) households to assess any gaps in addressing housing needs.

Farmworkers: While the element quantifies the number of farmworkers, as noted in prior review, it should also discuss characteristics like income, health outcomes, housing disparities, and other challenges unique to farmworkers generally. For additional information on the disproportionate needs of farmworkers, see Farmworker Health in California: Health in a Time of Contagion, Drought, and Climate Change from the University of California, Merced at [https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs\\_report\\_2.2.2383.pdf](https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs_report_2.2.2383.pdf).

3. *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).)*

Existing Uses: The element includes Table 51 (p. 91), which should be revised to add existing uses for each rezone site and a description of existing uses if the sites are nonvacant.

Small and Large Sites: Table 51 (p. 91) should list acreage by parcel. If a parcel is less than one acre, the element should discuss potential consolidation and add or modify program(s) to encourage consolidation and affordability. The element could discuss common ownership, shared ingress/egress, whether a parcel requires consolidation for access, etc. Additionally, the element should add or modify program(s) to facilitate appropriate parceling (e.g., 8 acres) on Site V35, including establishing incentives by a specified date.

Realistic Capacity: The element notes that Site V35 (previously Site V44) has a General Plan land use designation of Low Density Residential (LD) and is zoned Mixed Use (MU). However, the LD designation only allows a maximum density of 6 dwelling units per acre, which is inconsistent with the maximum density of 40 dwellings per acre allowed by the MU zone (p. 75). This inconsistency warrants redesignation, which could trigger by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). To resolve this inconsistency, the element could amend Program 1.1 (Land Inventory) to permit residential uses on Site V35 by-right without discretionary approval.

Additionally, should Site V35 not be incorporated into Program 1.1, the element should address the likelihood of residential development on Site V35. This analysis should explain why 8.1 acres of the 27.1-acre site have been assumed to be developed with residential uses (p. 83). For example, the element could explain this assumption was made based on conversations with the property owner or developer(s).

Suitability of Nonvacant Sites: While the element now includes additional information relating to the suitability of nonvacant sites, it should still discuss how ranch homes and existing agricultural uses in particular will not impede additional development, especially given the location of the structures on identified sites. Additionally, the element should support capacity assumptions with development trends either from within the City, or from the surrounding area and the broader Central Valley region.

Specific Plan Areas: While the element now includes some additional information on the Lake Pointe Master Development Plan, it should still discuss the planning horizon of the plan, including the current number of units built versus anticipated, past development trends, and the anticipated timeline for development, especially considering infrastructure constraints and rescale assumptions for the 8-year planning period based on past trends.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. 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](mailto:sitesinventory@hcd.ca.gov) for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov).

Zoning for a Variety of Housing Types:

- *Emergency Shelters*: While the element states emergency shelters are allowed by-right in the Residential High (RH) zone, it must also describe the development standards of the RH zone and any special requirements for emergency shelters. In addition, the element should demonstrate sufficient capacity (e.g., 25 beds) to accommodate at least one emergency shelter, including acreage, parcel sizes and any reuse opportunities.
  - *Transitional and Supportive Housing*: The element states transitional and supportive housing is permitted in all residential zoning districts (p. 163). However, transitional and supportive housing must be permitted in *all zones allowing residential uses*, including mixed use zones and other nonresidential zones that allow residential uses, in addition to being subject only to those restrictions posed on dwellings of the same type in the same zone.
4. *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).)*

Zoning and Fees Transparency: The element states that the City's fee schedule is available on the City's website (p. 169); however, the element should also state whether the City's zoning and development standards are available on the City's website. If the zoning and development standards are not available on the City's website, the element should add a program to address this requirement pursuant to Government Code 65940.1(a)(1)(B).

Local Ordinances: As noted in prior review, the element must analyze any locally adopted ordinances that directly impact the cost and supply of residential development (e.g., inclusionary requirements, short term rentals, growth controls).

### Housing for Persons with Disabilities:

- *Group Homes:* The City's zoning code, as noted on page 181 of the element, appears to isolate and regulate various types of housing for persons with disabilities based on the number of people and other factors. The element should add a program to permit group homes in all zones that allow residential uses, regardless of licensing, subject only to those provisions for residential uses of the same type in the same zone. Please see HCD's prior review for additional guidance.
- *Standards:* The element states that the zoning code does not have standards that would be a potential constraint of housing for persons with disabilities (p. 182); however, the element should add an affirmative statement that there are no special requirements such as siting, separation, or minimum distance requirements for residential care facilities or list and analyze standards as potential constraints.

### **C. 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 B3, 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, the element should be revised as follows:

Progress toward the Regional Housing Needs Allocation (RHNA): The element now demonstrates the availability and affordability of Carriage Square Estates and the Fahmy Subdivision, both of which are being counted toward the RHNA. The element should also add a program to monitor the status and development of these projects in the planning period. HCD will send sample program under separate cover.

Sites Identified from Prior Planning Periods: Program 1.4 (Reused Sites) should be revised to clarify that the ministerial by-right approval process for developments in which at least 20 percent of units are affordable to lower-income households on sites identified in prior planning periods is not an "option", but a requirement (p. 221). Additionally, pursuant to Government Code 65583.2(c), these rezones should be completed by one year from

the statutory deadline (December 31, 2023) and Program 1.4 should be revised accordingly.

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).)*

Special Housing Needs: While Program 5.2 (Farmworker Housing) now includes proactive actions to assist in meeting the housing needs of farmworkers, the element must still add proactive actions targeting the needs of ELI households. Please see HCD's prior review for additional guidance.

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 Finding B4, 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.

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 B1, the element requires a complete AFFH analysis. Depending upon the results of that analysis, the City may need to revise or add 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 commitments, milestones, geographic targeting and metrics or numerical targets and, as appropriate, address housing mobility enhancement (housing choices and affordability across geographies), new housing choices and affordability in relatively higher opportunity or income areas, place-based strategies for community preservation and revitalization, and displacement protection. In addition, HCD encourages the City to incorporate additional actions addressing housing mobility and place-based strategies for community revitalization into the element's schedule of programs.

#### **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)(9).)*



As noted in prior review, while the City made efforts to include the public through workshops and surveys, moving forward, the City should employ additional methods for public outreach efforts, particularly to include lower-income and special needs households and neighborhoods with higher concentrations of lower-income households. The element should include information on any additional public participation and outreach methods the City may have employed for this and subsequent housing element drafts.