

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

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August 23, 2022

Ted White, Director  
Planning & Building Department  
City of Anaheim  
200 S. Anaheim Boulevard  
Anaheim, CA 92805

Dear Ted White:

**RE: City of Anaheim's 6<sup>th</sup> Cycle (2021-2029) Revised Draft Housing Element**

Thank you for submitting the City of Anaheim's (City) revised draft housing element received for review on June 24, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The revised draft housing element addresses many statutory requirements described in HCD's December 14, 2021 review; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code). See enclosed Appendix.

The element appears to identify a shortfall of adequate sites to accommodate the regional housing need allocation (RHNA) and appears to include Programs 1H (Center City Corridors Specific Plan), 1J (Residential Opportunities Overlay Zone), 1K (Sites from Previous Housing Element Cycles) and 1R (Multifamily Rezoning in High Resource Areas) to address this shortfall. Pursuant to Senate Bill 197 (Chapter 70, Statutes of 2022), as the City did not adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), unless the City's adopted element is found in compliance by October 15, 2022, HCD cannot find the element in compliance until the rezoning is complete.

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 an email with the link sent 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.

HCD appreciates the efforts City staff and consultants provided throughout the course of the housing element review. 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, Reid Miller of our staff, at [Reid.Miller@hcd.ca.gov](mailto:Reid.Miller@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

Enclosure

## APPENDIX CITY OF ANAHEIM

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

### **A. Review and Revision**

*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).)*

Housing for Special Needs Populations: While the revised element provides some additional description of the housing needs of special needs populations, it does not fully address whether these policies are effective in meeting the housing needs of special needs populations. For example, the availability of housing choice vouchers is mentioned as a resource for essentially all special needs populations, but there is no evaluation of the effectiveness of programs. As opposed to a description of housing needs, the element should summarize the various programs, what happened, whether the programs were effective and then reflect the results of that analysis in the proposed programs.

### **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: While the element has been revised to include information on past or current fair housing complaints and a general description of efforts to comply with some state fair housing laws, it should also address compliance with federal fair housing laws and regulations. The element should also address any findings, lawsuits, enforcement actions, settlements, or judgments related to fair housing or civil rights, including recent technical assistance and notice of violation from HCD regarding group homes and transitional and supportive housing. The element should add or modify programs based on the outcomes of this analysis.

Integration and Segregation: While the element has been revised to report data on integration and segregation, for race, it still does not appear to provide analysis of integration and segregation in terms of disability, familial status or income. Additionally, the element provided some data on integration and segregation across racial groups highlighting the east to west patterns. However, the element must analyze this data, including trends over time, coincidence with other fair housing factors (e.g., concentrated areas of poverty, disparities in access to opportunity) and incorporate outreach, local data and knowledge, and other relevant factors.

Racial/Ethnic Areas of Concentration of Poverty (R/ECAP) and Areas of Affluence (RCAA): While the element has been revised to include maps indicating that R/ECAP and R/CAAs do not exist in the City, the element notes areas of High Segregation and Poverty and must include specific analysis such as evaluating trends, conditions (e.g., housing conditions, infrastructure, parks, schools, safe routes to school) and comparisons to other neighborhoods related to equitable quality of life. In addition, the element must address concentrated areas of affluence and may utilize new HCD data available at <https://www.hcd.ca.gov/affirmatively-furthering-fair-housing>.

Disparities in Access to Opportunity: While the element was revised to include analysis of disparities in access to opportunity in terms of economic opportunities, the analysis must still address access to educational opportunities.

Disproportionate Housing Need Including Displacement Risk: While the element was revised with data related to housing conditions, homelessness and displacement risk, it must still provide analysis of patterns and incorporate local data and knowledge and other relevant factors. For example, on housing conditions, the element should discuss any areas of higher need and effectiveness of efforts to address those needs. On homelessness, the element should discuss disproportionate impacts on protected characteristics (e.g., race, disability, familial status) and access to opportunities such as services. The element also must provide further analysis for patterns and trends within the City relating to overpayment and overcrowding.

Site Inventory and Affirmatively Furthering Fair Housing (AFFH): While the element expands discussion of the sites inventory against fair housing components, it must still quantify impact at the locational level (e.g., neighborhood, census tract, etc.) and evaluate any isolation of the RHNA. HCD will send examples under separate cover.

Local Data and Knowledge, and Other Relevant Factors: The element generally was not revised to address this requirement. Please see HCD's prior review.

Contributing Factors: The element should re-assess and prioritize contributing factors upon completion of analysis and make revisions as appropriate.

Goals, Actions, Milestones and Metrics: The element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. 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 and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization, and displacement protection.

2. *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 Conditions: The element now mentions the number of housing complaints received by the City, but it still must estimate the number of units in need of rehabilitation and replacement. Please see HCD's prior review for additional information.

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).)*

Progress toward the RHNA: The element was not revised to meet this requirement. Please see HCD's prior review.

Parcel Listing: While the element was revised to provide generic information on existing uses of parcels in Table B-8, this description may necessitate additional information such as listing indicators of redevelopment potential depending on the City's approach to analyzing nonvacant sites (see below finding). In addition, the capacity of sites with existing residential uses was not revised to account for the existing number of units as found in HCD's prior review.

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

City-Owned Sites: While the element has been revised to include Program 1W (City Owned Sites and Surplus Lands Act) to comply with the surplus land act, it generally was not revised to address HCD's prior finding. Please see HCD's prior review for additional information.

Suitability of Nonvacant Sites: The element lists a few recent examples of redevelopment then concludes these examples are similar to identified sites. The element must provide supporting information for this conclusion. Instead, the analysis is generalized and not site or area specific. For example, added analysis states that most sites in the inventory are similar to examples given in the table because they are industrial and commercial, the analysis does not provide any further analysis of similarities, such as location within the City, size of the lot, similar existing uses and other relevant factors that led to redevelopment. The element also does not analyze existing uses on sites in the inventory as a potential impediment on development. Please see HCD's prior review for further information.

In addition, as noted in the prior review, the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, 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).) 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.

Availability of Infrastructure: While the element includes some discussion of water and sewer capacity, it should clearly state whether there is sufficient existing and planned capacity to accommodate the RHNA and include programs, if necessary.

In addition, as noted in HCD's prior review, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. The element must demonstrate compliance with this requirement and include a program if necessary.

Environmental Constraints: While the element provides some general description of environmental conditions within the City and specifies areas that are most affected by each environmental condition, it must still relate those conditions to identified sites and describe any other known environmental or other constraints that could impact housing development on identified sites in the planning period.

Adequate Sites Alternatives: The element appears to be utilizing existing units to accommodate the RHNA pursuant to Government Code section 65583.1. To utilize this potential for converting existing units toward the RHNA, the element must demonstrate how these units will meet the requirements of Government Code section 65583.1, subdivision (c), including but not limited to identifying sources of committed assistance, programs and various other requirements. For additional guidance, please see Building Blocks at [Adequate Sites Alternative | California Department of Housing and Community Development](#).

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/community-development/housing-element/index.shtml#element> 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.

Zoning for a Variety of Housing Types (Emergency Shelters): The element now includes a discussion of acreage and proximity to transportation and services, but it must still clarify whether emergency shelters are permitted without discretionary action and identify and development standards, including any spacing or proximity requirements for compliance with statutory requirements.

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).)*

Land Use Controls: In response to HCD's prior finding regarding multifamily parking standards as a potential constraint, the element now states the standards are not a constraint. This conclusion is apparently based on the approval of recent housing projects that complied with parking requirements, several of which utilized State Density Bonus Law (SDBL) for parking reductions. Stating that a project complies with a standard does not demonstrate that a standard is not a constraint and utilizing SDBL for exception to parking requirements is more of an indicator of a constraint than not. Regardless, the element still does not evaluate the impacts on housing costs, supply and financial feasibility, particularly for one-bedroom units and must be revised with analysis and programs to address the identified constraint.

Processing and Permit Procedures: While the element was revised to include information about the City's application process and provide some clarification on permit procedures, it does not describe or distinguish the differences in processing times for entitlements and procedures between a typical single-family and a typical multifamily development. As noted in HCD's prior findings letter, the analysis should address the approval body, the number of public hearings if any, approval findings and any other relevant information. The analysis should address impacts on housing cost, supply, timing, and approval certainty.

Building Codes and their Enforcement: The element discusses that local amendments to the building code are not a constraint, but it should also list and evaluate the amendments for impacts on the cost and supply of housing.

Constraints on Housing for Persons with Disabilities:

- *Definition of Family:* While the element was revised to describe the City's definition of "Single Housekeeping Unit," it still does not analyze the definition as a constraint and appears to have multiple restrictions that may act as constraints on housing for persons with disabilities. The element must include specific analysis of any potential constraint, including considering public comment, and add or modify programs as appropriate.
- *Group Homes:* While some discussion has been added about group homes (p. 3-26), the element still does not analyze the standards, clearly demonstrate whether or not the standards are constraints, or provide any actions the City might take in addressing these constraints. The element should include specific analysis of these and any other constraints, including their enforcement and considering public

comments, for impacts on housing for persons with disabilities and add or modify programs as appropriate. Please see HCD's prior review for additional information.

- *Transitional and Supportive Housing*: The element now adds Program 5B (Transitional and Supportive Housing), which appears to address some constraints (e.g., person limits and conditional use permit) but still must include specific commitments and timing, as follows:
  - *Permit Type*: The Program should include a specific commitment to permit transitional and supportive as a residential use of property that will only be subject to the restrictions of other residential dwellings of the same type in the same zone (e.g., by right). Currently, the Program explains these requirements but does not commit to meet these requirements. For example, merely crossing out the number of occupants (6 or fewer or 7 or more) does not ensure transitional and supportive housing of the same type of dwelling (e.g., single-family, multifamily, etc.) receives the same type of permit processing as other dwellings of the same type in the same zone.
  - *Allowable Zones*: The Program lists several zones that will be amended but must list all zones allowing residential uses or contain a general commitment to amend all zones allowing residential uses.
  - *Timing*: The Program currently commits to amend zoning within 90 days of housing element certification. Given the amount of time between the City's first and second submittal and lack of significant progress toward compliance in this submittal, and because HCD's December 2021 Notice of Violation related to the ordinance remains outstanding, waiting to amend the zoning after certification is not acceptable. The Program should instead commit to immediately amending zoning and procedures pursuant to this program prior to certification. Doing so is vital to resolving the violation. HCD will not find the element in compliance until the zoning is amended to meet these statutory requirements.

### **C. Housing Programs**

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*



As noted in the prior review, to have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines and specific commitment. For example, many programs use terms such as “evaluate” or “explore” which are not specific commitment to a tangible housing outcome in the planning period. Program 1I (Housing Co-located with Religious and Community Facilities) must still be revised as described in the prior review and Program 1S (Accessory Dwelling Unit (ADU)) should commit to rezoning if ADU production and affordability is not occurring as assumed in the element. Examples of other programs to be revised with specific commitment include:

- Program 1E (Encourage the Development of housing for ELI Households)
- Program 1G (Platinum Triangle Master Land Use Plan)
- Program 1Q (Promote Opportunity Sites)
- Program 2E (Residential Uses Not Defined as Single Housekeeping Unit)
- Program 3A (Efficient Use of Energy Resources)

Please see HCD’s prior review for additional information.

2. *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:

- *Adequate Sites:* As noted in the prior review, the element includes various actions that appear intended to address a shortfall of sites to accommodate the RHNA. For any program intended to address a shortfall of sites at appropriate densities to accommodate the RHNA for lower-income households, the program must meet all requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). In addition, these programs should identify the shortfall, minimum acreage to be rezoned and anticipated allowable densities. Examples of programs that may require revising include Programs 1H (Center City Corridors Specific Plan), 1J (Residential Opportunities Overlay Zone) and 1R (Multifamily Rezoning in High Resource Areas).

- *City-owned Sites:* The element has been revised to include Housing Production Strategy 1W (City Owned Sites and Surplus Lands Act); however, this program must still provide a schedule of actions to facilitate development on City-Owned sites, including complying with the Surplus Land Act. Actions could include a schedule for requests for proposals, rezoning, incentives, funding and expediting processing and should include a numeric objective consistent with assumption in the sites inventory. This Program should seek to maximize these important resources for lower-income households, including ELI households.
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 must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. In addition, most programs lack milestones, geographic targeting and metrics to target meaningful AFFH outcomes in the planning period and should be revised as appropriate.