

RESOLUTION NO. 12-22

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LANCASTER, CALIFORNIA, ADOPTING AN
UPDATE TO THE HOUSING ELEMENT OF THE
CITY'S GENERAL PLAN

WHEREAS, the Legislature finds and declares that “the availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order”; and

WHEREAS, this update to the City of Lancaster Housing Element has been prepared pursuant to Article 10.6, Section 65580 – 65589.9 of the Government Code, and is attached hereto and incorporated herein; and

WHEREAS, the City has made a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element; has held a public meeting on October 9, 2007, and public hearings on June 16, 2008, July 20, 2009, and April 16, 2012, for this purpose prior to the adoption of the document, and has received and commented on all public testimony both oral and written; and

WHEREAS, staff has performed necessary investigations, prepared a written report, and recommended approval of the update, in accordance with the corrections provided by State Department of Housing Community Development (HCD) as stated in its letters dated August 12, 2010, and April 5, 2011; and

WHEREAS, a public hearing on the Housing Element Update was held before the Planning Commission on April 16, 2012, and a resolution was forwarded to the City Council recommending approval of the update; and

WHEREAS, the City Council makes the following findings:

1. There is a need for the proposed update in order to achieve substantial compliance with Article 10.6, Sections 65580 through 65589.9 of the Government Code.

2. The proposed update is of economic benefit to the City since it establishes policies and action programs that will enable the provision of housing for all economic segments of the community, and provides the foundation for future State funding that will aid the City in carrying out its housing programs.

3. The proposed update will not have a significant effect on the environment since pursuant to Section 15162 and Section 15168(c)(2) of the State CEQA Guidelines, the proposed update is within the scope of the Program Environment Impact Report (SCH #2007111003) prepared for the Lancaster General Plan, and certified by the City Council under Resolution No. 09-52, and no further environmental review is required.

4. The proposed amendment is a planning document, which does not grant development entitlements. The proposed update will not result in any changes in land use designations or densities of the adopted General Plan. Therefore, adoption of the proposed amendment will not result in any impacts to traffic and circulation systems, or to public service systems.

5. The proposed update will not have a long term impact on the development phasing of the City, nor on the City as a whole, because the Housing Element is a short-term planning document that is within the scope of the Lancaster General Plan.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, STATE OF CALIFORNIA, THAT:

Section 1. This Council hereby approves Lancaster General Plan Housing Element Update, which is on file in the City Clerk Department.

PASSED, APPROVED, and ADOPTED this _____ day of _____ 2012, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA)	
COUNTY OF LOS ANGELES)	ss
CITY OF LANCASTER)	

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Resolution No. 12-22 for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)

PLANNING COMMISSION ACTION:

APPROVED (6-0-0-1) (ABSENT: Malhi)

AGENDA ITEM: 5.

DATE: 04-16-12

STAFF REPORT

GENERAL PLAN HOUSING ELEMENT (2006 – 2014)

DATE: April 16, 2012

TO: Lancaster Planning Commission

FROM: Planning Department *BL*

APPLICANT: City of Lancaster

LOCATION: City-wide

REQUEST: Update the Lancaster General Plan Housing Element to address housing needs for planning period January 1, 2006, to June 30, 2014

RECOMMENDATION: Receive public testimony on the General Plan Housing Element and approve Resolution No. 12-10, recommending to the City Council approval of an update of the General Plan Housing Element, in accordance with the corrections provided by State Department of Housing and Community Development (HCD) (see Exhibit "A").

BACKGROUND: State law requires individual communities to accommodate their "fair share" of housing for all economic groups within the community. The Housing Element is the state-mandated General Plan element that addresses how the City will strive to achieve its share of regional housing need within the assigned planning period. The State Department of Housing and Community Development (HCD) is responsible for providing the Southern California Association of Governments (SCAG) with the region's share of the state-wide housing need. SCAG, in turn, through the Regional Housing Needs Assessment (RNHA), works with sub-regions and cities to determine each jurisdiction's share of regional housing need. The housing need numbers are then incorporated into the Housing Element update and provide the basis for formulation of the housing programs for the ensuing planning period.

The City Council approved the Housing Element on August 12, 2008, but it has not yet achieved HCD certification. Staff is bringing the Housing Element back for Planning Commission and City Council review and approval due to the considerable changes that have been made since their last review, in accordance with HCD's corrections.

The following timeline outlines the series of hearings and reviews before the Planning Commission and the City Council, as well as all correspondences with State HCD:

- **May 2, 2008** – City submits draft Housing Element to HCD for review.
- **June 16, 2008** – Planning Commission concurrently reviews and recommends draft Housing Element for adoption to City Council.
- **July 1, 2008** – City receives first set of comments and corrections from HCD.
- **August 12, 2008** – City Council adopts Housing Element, inclusive of corrections made in response to HCD’s July 2008 letter (Resolution No. 08-77).
- **August 21, 2008** – City submits adopted Housing Element to HCD for review and certification.
- **November 19, 2008** – City receives second set of comments and corrections from HCD, including statutory requirements for providing adequate sites for housing, and other revisions pertaining to supportive and transitional housing, and housing for persons with disabilities.
- **July 20, 2009** – Planning Commission reviews and recommends draft Housing Element (second edit inclusive of corrections made in response to HCD’s November 2008 letter), for adoption to City Council (a public hearing before the City Council for this draft has not yet occurred).
- **June 16, 2010** – City submits further revisions of the draft Housing Element to HCD, addressing their concerns regarding adequate sites, supportive and transitional housing, and housing for persons with disabilities.
- **August 12, 2010** – City receives third letter stating that the City has partially addressed the corrections, and that further corrections would be needed to sufficiently address their concerns.
- **February 7, 2011** – City submits further revisions of the draft Housing Element to HCD.
- **April 5, 2011** – City receives fourth letter stating that the City has addressed all concerns as previously listed; however, one last correction remains as HCD became aware of some complaints to Housing and Urban Development (HUD) regarding the City’s group home licensing ordinance and inspection procedures, and determined that the City needed to provide justification that the requirements and procedures do not result in a constraint on the location and supply of housing for persons with disabilities.

City staff has provided a thorough discussion of this issue raised by HCD in the letter dated April 5, 2011, and has included this discussion in this latest Housing Element draft for Planning Commission review under Section F.

ENVIRONMENTAL REVIEW: Pursuant to Sections 15162 and 15168(c)(2) of the State CEQA Guidelines, the proposed update is within the scope of the Program Environmental Impact Report (SCH #2007111003) for the existing Lancaster General Plan, and no further environmental review is required.

LEGAL NOTICE: Notice of Public Hearing was posted in three places, and noticed in a newspaper of general circulation per prescribed procedure.

ANALYSIS: The Lancaster General Plan Housing Element Update evaluates existing housing programs and establishes quantified objectives and programs for the January 1, 2006, to June 30, 2014, planning period that address the housing needs of Lancaster residents. The primary objectives of the Housing Element are to provide adequate sites that will permit the provision of affordable housing for all income levels, and to identify and accommodate, to the extent possible, segments of the City population with special housing needs. As required by state law, the draft Housing Element has been prepared to be consistent with other elements of the General Plan.

The City also prepares the Housing Element to meet State law requirements and to achieve certification by the California Department of Housing and Community Development (HCD). Certification is an important step for the City in qualifying for many funding programs offered by the State for local housing activities, one of which includes HOME Investment Partnership (HOME). In recent years, HOME funds have been used for the Home Ownership Mortgage Loan Program, as well as assisting in the funding of several housing developments in areas undergoing revitalization. For example, \$3,775,000 in HOME funds was used for the development of Arbor Gardens Senior Apartments, located in downtown. Therefore, a locally adopted and state-certified Housing Element is an essential component in providing the financial assistance necessary to fund projects that contribute to revitalization efforts.

City staff has made the following revisions, as directed by State HCD, since the Planning Commission's last review of the draft Housing Element on July 20, 2009:

- Inclusion of Mixed Use zoned sites to meet the City's Regional Housing Needs Allocation, including housing for low-income households;
- Removal of the Conditional Use Permit requirement for multi-family uses, to provide certainty for achieving development of housing for low-income households;
- Removal of the requirement to provide additional amenities to achieve maximum density for multi-family housing developments;
- Designation of the Light Industrial zone to allow emergency shelters "by-right" (non-discretionary review), in accordance with SB 2;
- A policy to adopt a reasonable accommodations ordinance, for compliance with Fair Housing Law (that the City has implemented, with the adoption of a Reasonable Accommodation Ordinance in October 2011).

The above revisions have already received HCD's approval, as stated in their April 5, 2011, letter to the City. One outstanding correction remains, pertaining to the City's Group Home ordinance, which arose in October 2010 when three operators of group-living residences each filed a complaint against the City to Housing and Urban Development (HUD), alleging that the City's conduct towards them and their operation engaged in discriminatory actions as related to disabled persons allegedly living in these residences.


Consequently, HCD is requiring the City to analyze the specific provisions of the Group Home ordinance (e.g. processing procedures, fees and siting/distance requirements) as potential constraints, including the potential impacts on the cost and supply of housing for persons with disabilities. HCD states that licensing requirements that apply only to group homes and require additional fees, standards, and approval procedures, appear to act as a constraint. As a result, the City is required to either justify these requirements, or include programs in the Housing Element to remove or mitigate these requirements.

The latest draft Housing Element includes a thorough discussion of the City's Group Home ordinance (pages HE-F-16 through HE-F-22), and justification of the procedure for the health, safety and welfare of those living in group home residences, including persons with disabilities. The City contends that there are no additional licensing requirements for group homes (not licensed by the State) beyond the license that is required for all rental housing. The information collected on the group home business license is used only to ensure the validity and integrity of the group home, and not used as a means to discriminate, or to infringe on a person's privacy. The City contends that the 500-foot distance requirement applied to group homes, while greater than the State's 300-foot standard, has not unreasonably constrained the placement of group homes, as indicated by the number of existing facilities in Lancaster.

The City acknowledges each of the complaints filed with HUD; however, HUD had since determined that the City's actions pertaining to each of the complainants did not violate Section 504 (of the Rehabilitation Act of 1973). HUD made this determination based on evidence showing that the complainants were operating boarding houses for the general public, and not group homes for disabled persons.

City staff believes they have addressed all concerns addressed by State HCD. Without HCD certification, the City stands to lose significant funding for affordable housing developments and downtown/neighborhood revitalization efforts. Due to this, staff recommends that the Planning Commission recommend to the City Council adoption of the revised Housing Element, to bring it into full compliance with State law and certification by HCD.

Respectfully submitted,



Chuen Ng, Associate Planner

RESOLUTION NO. 12-10

A RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF LANCASTER, CALIFORNIA,
RECOMMENDING TO THE CITY COUNCIL
APPROVAL OF THE LANCASTER GENERAL PLAN
HOUSING ELEMENT UPDATE (2006 – 2014)

~~WHEREAS, on April 16, 2012, the Lancaster Planning Commission adopted Resolution No. 12-10 recommending that the City Council approve Lancaster General Plan Housing Element Update (2006 – 2014) for the City of Lancaster; and (Deleted at the 04/16/2012 PC Meeting)~~

WHEREAS, the Legislature finds and declares that “the availability of housing is of vital statewide importance and the early attainment of decent housing, and a suitable living environment for every California family is a priority of the highest order”; and

WHEREAS, this update to the City of Lancaster Housing Element has been prepared pursuant to Article 10.6, Section 65580 – 65589.9 of the Government Code, and is detailed in Exhibit A attached hereto and incorporated herein; and

WHEREAS, the City has made a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element; has held a public meeting on October 9, 2007, and public hearings on June 16, 2008, August 12, 2008, July 20, 2009, and April 16, 2012, for this purpose prior to the adoption of the document, and has received and commented on all public testimony both oral and written; and

WHEREAS, staff has revised the Housing Element in response to the corrections provided by California State Housing and Community Development (HCD) in letters dated July 1, 2008, November 19, 2008, August 12, 2010, and April 5, 2011; and

WHEREAS, staff has performed necessary investigations, prepared a written report, and recommended approval of the update; and

WHEREAS, the Planning Commission makes the following findings:

1. There is a need for the proposed update in order to achieve substantial compliance with Article 10.6, Sections 65580 through 65589.9 of the Government Code.
2. The proposed update is of economic benefit to the City since it establishes policies and action programs that will enable the provision of housing for all economic segments of the community and provides the foundation for future State funding that will aid the City in carrying out its housing programs.
3. The proposed update will not have a significant effect on the environment since pursuant to Section 15162 and Section 15168(c)(2) of the State CEQA Guidelines, the proposed update is within the scope of the Program Environment Impact Report (SCH #2007111003) prepared for the Lancaster General Plan, and no further environmental review is required.

4. The proposed amendment is a planning document which does not grant development entitlements. The proposed update will not result in any changes in land use designations or densities of the adopted General Plan. Therefore, adoption of the proposed amendment will not result in any impacts to traffic and circulation systems or to public service systems.

5. The proposed update will not have a long term impact on the development phasing of the City nor on the City as a whole because the Housing Element is a short-term planning document that is within the scope of the Lancaster General Plan.

NOW, THEREFORE, BE IT RESOLVED:

This Commission hereby recommends that the City Council approve Lancaster General Plan Housing Element Update (2006 – 2014) April 2012, which is on file in the Planning Department.

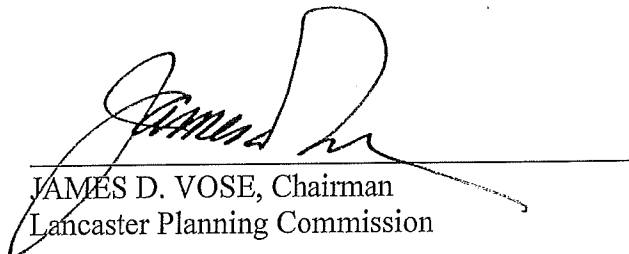
PASSED, APPROVED and ADOPTED this 16th day of April 2012 by the following vote:

AYES:

NOES:


ABSTAIN:

ABSENT:



JAMES D. VOSE, Chairman
Lancaster Planning Commission

ATTEST:



BRIAN S. LUDICKE, Planning Director
City of Lancaster

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

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April 5, 2011

EXHIBIT "A"

Mr. Brian S. Ludicke
Planning Director
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534

Dear Mr. Ludicke:

RE: Review of the City of Lancaster's Revised Draft Housing Element

Thank you for submitting Lancaster's revised housing element received for review on February 7, 2011 with revisions received on March 30, 2011. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation with you and Mr. Chuen Ng, of your staff, facilitated the review. In addition, the Department consulted with Shelter Partnership and the Law Offices of Kim Savage, pursuant to Government Code Section 65585(c).

The adopted element addresses most of the statutory requirements described in the Department's August 12, 2010 review. For example, the element now demonstrates adequate sites to accommodate the City's regional housing need allocation. Please be aware, although the element indicates housing for lower-income households can be accommodated on sites zoned at 15 units per acre (M1 zone), the Department's determination of adequate sites was based upon the residential potential in zones allowing 30 units per acre (mixed-use and M2 zones). However, the following revision is still necessary to comply with State housing element law (Article 10.6 of the Government Code):

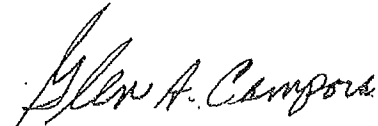
Analyze potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (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. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).



Constraints on Persons with Disabilities: The element was revised to include a description of the City's business license regulations for group homes and the rationale for adopting the ordinance. However, it still does not analyze the specific provisions (e.g., processing procedures, fees and siting requirements) as potential governmental constraints including the potential impacts on the cost and supply of housing for persons with disabilities. In addition, the element still does not demonstrate how these requirements comply with Health and Safety Code Sections 1267.8, and 1566.3 and State and federal Fair Housing Laws (e.g., Government Code Section 65008) as described in the Department's August 12, 2010 review. Licensing requirements that apply only to group homes and require additional fees, standards, and approval procedures, appear to act as a constraint. As a result, the element must include programs to address and remove or mitigate these requirements. Once the element has been revised to adequately address this requirement, it will comply with State housing element law.

The Department is committed to assist Lancaster in addressing all statutory requirements of State housing element law. If you have any questions, or need additional technical assistance, please contact Melinda Benson, of our staff, at (916) 445-5307.

Sincerely,



Glen A. Campora
Assistant Deputy Director

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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August 12, 2010

Mr. Brian S. Ludicke
Planning Director
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534



Dear Mr. Ludicke:

RE: Review of the City of Lancaster's Revised Draft Housing Element

Thank you for submitting Lancaster's revised housing element received for review on June 16, 2010. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation with you and Mr. Chuen Ng, of your staff, facilitated the review. In addition, the Department considered comments from Shelter Partnership, pursuant to Government Code Section 65585(c).

The adopted element addresses many of the statutory requirements described in the Department's November 19, 2008 review. Particularly, the Department applauds the City's efforts to remove constraints to the development of multifamily housing such as replacing the conditional use permit process with site plan review (Program 6.1.1(d)) and removing the requirement for additional amenities to achieve densities greater than the allowed base densities (Program 6.1.1(g)). However, the following revisions remain necessary to comply with State housing element law (Article 10.6 of the Government Code):

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

As stated above, the revised element includes a program to remove the requirement for amenities to achieve densities above the base density allowed in the MR1 and MR2 zone. However, the element now indicates the City is relying exclusively on sites zoned MR1 (15 du/acre) and MR2 (30 du/acre) to accommodate the housing need for lower-income households. As stated in the Department's previous review, pursuant to Government Code Section 65583.2(c)(3)(A) and (B), the element must identify zoning and densities appropriate to encourage and facilitate the development of housing for lower-income households based on factors such as market demand, financial

feasibility and development experience within zones. For communities with base densities that meet specific standards (at least 30 units per acre for Lancaster), this analysis is not required (Section 65583.2(c)(3)(B)). While sites zoned MR2 have densities appropriate to encourage and facilitate housing affordable lower-income households, the element does not evaluate the appropriateness of densities in the MR1 zone to encourage and facilitate this housing need. If the element can not establish the adequacy of MR1 zone to encourage and facilitate the development of housing affordable to lower-income households, it must either identify additional sites with appropriate zoning or include an adequate sites program to address the shortfall.

The City may wish to consider appropriately zoned sites in the Downtown Specific Plan Area to accommodate a portion of the regional housing need. To utilize these sites, the element should describe the existing uses of non-vacant identified sites and include an analysis of the extent to which those uses may impede additional residential development. The element should describe development trends, market conditions, and any existing or planned regulatory or other incentives financial assistance or regulatory incentives to encourage and facilitate more intensive residential development on the identified underutilized sites. For sites with residential uses, the inventory could generally describe structural conditions or other circumstances and trends demonstrating the redevelopment potential to more intense residential uses. For non-residential sites, the inventory could generally describe whether the use is operating, marginal or discontinued, and the condition of the structure, or could describe any expressed interest in redevelopment. For further information, refer to the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#nonvacant.

If the element proposes to rely on available sites within mixed-use zones, it must describe the methodology for determining the residential capacity of sites. The capacity analysis should account for potential development of non-residential uses and could consider any performance standards mandating a specified portion of a mixed-use site as non-residential (e.g., first floor, front space as commercial).

Infrastructure: While the element now includes information regarding available sewer capacity, it was not revised to include specific program actions to address limitations or shortfalls due to insufficient water capacity to accommodate Lancaster's housing need (see the Department's previous review).

2. *Analyze 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. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).*

Constraints on Persons with Disabilities: The element now includes Program 8.1.3(b) to adopt a formal reasonable accommodation procedure for persons with disabilities. However, as discussed in the telephone call, material submitted by Shelter Partnership indicate the City adopted a yearly business licensing requirement for licensed and non-licensed group homes with six or fewer residents. According to Chapter 5.44 of the Lancaster Municipal Code, the intent of the licensing procedure is to "assure group homes are placed and operated in a manner consistent with the goal of providing a family environment, protecting the health, safety and welfare of the guests and the community", and "limit the impacts such uses have on traffic, congestion, noise, children and family values (Chapter 5.44 of the Lancaster Municipal Code, Section 5.44.010).

This regulation has not been described or analyzed in the housing element pursuant to Government Code Section 65583(a)(4). The requirement for governmental constraints analysis is not limited to land-use restrictions or processes. Particularly, the element should describe and analyze the process for applying for the license, the types of information required in the application, must demonstrate compliance with Health and Safety Code Sections 1267.8, and 1566.3 and State and federal Fair Housing Laws (e.g., Government Code Section 65008), as well housing element law including Government Code 65583(a)(5). In addition, the element must analyze the 500 foot separation for group homes required by the business licenses as a constraint to the development of housing for persons with disabilities. Depending upon the results of the analysis, the City may need to revise or add programs to remove or mitigate any identified constraints.

3. *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 types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in Finding 1, the element does not include a site inventory or analysis and 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.

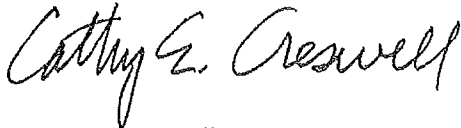
To address any shortfall of sites, the element must include a program pursuant to Government Code Sections 65583(a)(3) and 65583.2, to demonstrate 100 percent of the remaining lower-income housing need will be accommodated within the planning period on sites zoned to permit owner-occupied and rental multifamily uses by-right.

Mr. Brian S. Ludicke
Page 4

These sites shall be zoned with minimum density and development standards that permit at least 16 units per site, at a minimum density of at least 20 units per acre. In addition, the City should be aware at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses.

The Department appreciates the hard work and responsiveness of Mr. Ng throughout the course of the review and is available to assist the City of Lancaster in addressing the remaining statutory requirements. If you have any questions, or need additional technical assistance, please contact Melinda Benson, of our staff, at (916) 445-5307.

Sincerely,

A handwritten signature in cursive script that reads "Cathy E. Creswell".

Cathy E. Creswell
Deputy Director

cc: Ruth Schwartz, Executive Director, Shelter Partnership

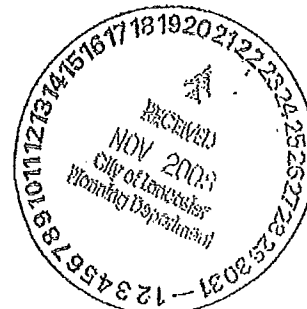
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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November 19, 2008

Mr. Mark V. Bozlgian
City Manager
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534



Dear Mr. Bozlgian:

RE: Review of the City of Lancaster's Adopted Housing Element

Thank you for submitting the City of Lancaster's housing element adopted on August 12, 2008 and received for review on August 21, 2008. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h). A telephone conversation with Mr. Chuen Ng, of your staff, facilitated the review. In addition, the Department considered comments from Public Counsel Law Center, pursuant to Government Code Section 65585(c).

The adopted element addresses many of the statutory requirements described in the Department's July 1, 2008 review. For example; the element now includes a more detailed analysis of the housing need, includes a parcel-specific listing of sites, and includes programs to assist in the development of housing for extremely low-income households. However, further revision is necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element does not yet demonstrate the adequacy of zoning to encourage and facilitate housing for lower-income households, lacks analysis of the CUP requirements for multifamily housing, and should include revised programs to address the shortfall of identified sites in accordance with Government Code Sections 65583(a)(3) and 65583.2. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates the cooperation of Mr. Chuen Ng throughout the course of the review and is available to assist the City of Lancaster in addressing the remaining statutory requirements. If you have any questions, or wish to schedule a site visit, please contact Melinda Coy, of our staff, at (916) 445-5307.

Sincerely,

Handwritten signature of Cathy E. Creswell in cursive.

Cathy E. Creswell
Deputy Director

Enclosure

cc: Brian Ludloke, Planning Director
Remy De La Peza, Public Counsel Law Center

**APPENDIX
CITY OF LANCASTER**

The following changes would bring Lancaster'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 the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at www.hcd.ca.gov/hpd/housing_element2/index.php, the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Lancaster has a Regional Housing Need Allocation (RHNA) of 12,799 housing units, of which 5,133 units are for lower-income households. To address the total need, the element relies on approved and entitled units, pending developments, and vacant multifamily sites. In addition, the element recognizes the shortfall of appropriately zoned sites to accommodate the RHNA for lower-income households and commits to the rezone of sites to allow for mixed-use development. However, to demonstrate the adequacy of these strategies to accommodate the City's share of the regional housing need, the following revisions are still required:

Zoning for Lower-Income Households: The element was revised to include a parcel specific listing of higher density sites zoned MR1 and MR2 to accommodate a portion of Lancaster's regional housing need for lower-income households. However, the revised element did not evaluate the adequacy of base densities to accommodate housing for lower-income households. As noted in the previous review, projects may only exceed base densities when specified amenities are provided. Therefore, the element must demonstrate that the base densities of 6.6 (M1) and 15.1 (M2) encourage and facilitate the development of housing affordable to lower-income households based on market demand, development experience within zones, and financial feasibility or include programs to remove or mitigate this requirement. For communities with base densities that meet specific standards (at least 30 units per acre for Lancaster), this analysis is not required (Section 65583.2(c)(3)(B)). To address this requirement, the element could include programs to remove base density restrictions, increase base density requirements, and/or rezone additional sites as appropriate. If the element can not establish the adequacy of these densities, the adequate sites program will need to identify additional sites with appropriate zoning.

Small Sites: Many of the sites listed on Table HE G-5 are very small (less than 0.5 acre). Therefore, the element must include an analysis demonstrating the development potential of smaller sites, including their capacity to facilitate the development of housing for lower-income households. This is particularly important given the necessary economies of scale to facilitate the development of housing affordable to lower-income households. For example, most assisted housing developments utilizing State or federal financial resources typically include at least 50 to 80 units.

Sites to Accommodate RHNA Shortfall: The element has identified a shortfall of sites to accommodate the current estimated remaining need of 308 units for lower-income households. As stated in the revised element (page G-27), the City intends to address the shortfall of sites through a rezone program allowing mixed-use development on commercial and industrial sites bounded by Avenues K and L, 5th Street West, and Sierra Highway. However, the element must include a listing and analysis of sites within this mixed use area proposed for rezoning. The program must allow owner and rental multifamily housing by-right, allowing at least 16 units per site, at a minimum density of 20 units per acre. In estimating the residential development capacity of these sites, the element must account for potential development of non-residential uses. The element should also describe any existing or proposed regulatory incentives and standards to encourage and facilitate mixed-use development.

In addition, while the mixed-use area can account for a portion of the capacity needed to address the shortfall of sites, the element must demonstrate sufficient sites will be rezoned to ensure at least 50 percent of the remaining need will be accommodated on sites zoned exclusively for residential use.

Infrastructure: The revised draft indicates there is insufficient water capacity to accommodate Lancaster's housing need and discusses methods to address water supply issues. However, where insufficient capacity is identified, the element must include specific program actions to address infrastructure capacity limitations or shortfalls.

In addition, while the element states that sewer treatment facilities will need to be expanded to accommodate the projected flows of 2020, it must clarify whether sufficient sewer capacity is currently available to support the City's housing need within the planning period.

Emergency Shelters: The element does not include a complete analysis to address this requirement. While the element now identifies the Light Industrial land-use designation to allow emergency shelters "by-right" (page D-28), pursuant to Chapter 633, Statutes of 2007 (SB 2), it must demonstrate this designation could provide sufficient opportunities to accommodate the identified need. In addition, the element must demonstrate that proposed permit processing, development, and management standards encourage and facilitate the development of, or conversion to, emergency shelters.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(5)).*

Land-Use Controls: While the element now includes additional information describing types of amenities required to achieve project densities above the base density (page F-3), it does not include a description of the process for determining the level of increased densities allowed in relationship to amenities provided, nor a complete analysis of the impact of this requirement on the development of housing affordable to lower-income households. In addition, as many of the sites identified in the inventory are smaller infill sites, the implementation of the requirement could impact the useable developable area necessary to achieve economies of scale. Therefore, the element must analyze the impact of this requirement on approval certainty, feasibility, and housing affordability.

Processing and Permit Procedures: The element now includes information regarding the typical findings for approval and generally concludes this process has not yet resulted in the denial of development proposals. However, the element does not evaluate the impact of the conditional use permit (CUP) requirement of the supply and affordability of housing particularly housing for lower-income households. The revised element estimates 56 percent of the multifamily sites identified to accommodate the RHNA for lower-income households are adjacent or across the street from single-family uses and therefore require a CUP. The element must analyze the potential impact of this requirement on approval certainty, timing, and financial feasibility. Given the reliance on sites subject to a CUP process, the element should include a program to remove or mitigate this permitting requirement.

Constraints on Persons with Disabilities: The element includes an analysis of zoning and development standards for the development of housing for persons with disabilities. However, the element must also describe its procedure for considering requests for reasonable accommodation. Should the City lack a formalized procedure, the City should commit to develop and establish a reasonable accommodation procedure, separate from a variance or CUP, for providing exception in zoning and land-use for housing for persons with disabilities by a date certain.

B. Housing 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 types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide*

for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).

As noted in finding A1, the element does not demonstrate sufficient sites to accommodate the City's remaining regional housing need for lower-income households. As a result, the City must add or modify programs to address a shortfall of sites or zoning available to accommodate a variety of housing types, for all income levels, including housing for lower-income families. Specifically, with the City's reliance on Program 6.1.1 (g) to address the shortfall, the program must be amended, pursuant to Government Code Sections 65583(a)(3) and 65583.2, to demonstrate 100 percent of the remaining lower-income housing need will be accommodated within the planning period on sites zoned to permit owner-occupied and rental multifamily uses by-right. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site, at a minimum density of at least 20 units per acre. In addition, the City should be aware at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses.

As stated in the previous review, given Lancaster's acknowledged need and interest in promoting infill opportunities to provide additional housing opportunities for low- and moderate-income families, and as the revised parcel inventory relies on smaller infill sites to accommodate a portion of the housing need, programs in the element still require revision to provide specific policies or incentives that encourage and facilitate this type of development. For example, the element could contain programs that facilitate lot consolidation, such as granting density bonuses as parcels are assembled, or assisting developers in identifying development opportunities, removing or mitigating the CUP requirement for multifamily projects over 10 units, allowing projects to achieve higher densities without requiring provision of amenities, or modifying development standards to assist in achieving higher densities on smaller parcels.

Transitional and Supportive Housing: The element includes program 8.1.2(l) to amend "the definition of congregate living health facility and residential care facilities, among others, that affect the location and use of supportive and transitional housing." In addition, program 8.1.2(g) states transitional housing will be allowed "by-right" in the Light Industrial zone. However, pursuant to SB 2, Program 8.1.2(l) should be revised to amend the zoning code to explicitly allow transitional and supportive housing as residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone. For further information, including the statutory definitions of transitional and supportive housing, please refer to the Department's technical assistance memo on SB 2 http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

2. *Provide Information on the redevelopment agency's role in the City's effort to encourage the development of a variety of housing types for all income levels (Section 65583(c)).*

The element did not address this requirement. The element should estimate the amount of funds expected to accrue to the Redevelopment Low- and Moderate-Income Housing Fund over the planning period and identify anticipated use of those funds. The element should verify sufficient funds for all identified programs reliant on RDA.

3. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding A2, the element requires a more detailed analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to strengthen or add programs and address and remove or mitigate any identified constraints.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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July 1, 2008

Mr. Brian Ludicke, Planning Director
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534

Dear Mr. Ludicke:

RE: Review of the City of Lancaster's Draft Housing Element

Thank you for submitting Lancaster's draft housing element received for review on May 2, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on May 26, 2008 with you, and Mr. Chuen Ng, of your staff, facilitated the review. In addition, the Department considered comments from Ms. Ruth Schwartz, Executive Director for Shelter Partnership, pursuant to Government Code Section 65585(c).

The Department commends the City of Lancaster for its efforts to assist in the development of housing to special needs populations including the addition of 14 transitional housing units to the Lancaster Community Homeless facility, the development of the 100-unit Poppyfield Estates providing multifamily and supportive housing, and the 234-unit Arbor Court Apartments providing housing to senior and disabled households. The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must include a site inventory and analysis to accommodate the remaining regional housing need, an analysis of governmental constraints, and strengthen programs by including specific timeframes for implementation. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department would be pleased to provide any assistance necessary, including a meeting in Lancaster, to facilitate the City's efforts to comply with State law. If you have any questions, or wish to schedule a visit, please contact Melinda Coy, of our staff, at (916) 445-5307.

Sincerely,

Cathy E. Creswell
Deputy Director

Enclosure

cc: Ms. Ruth Schwartz, Executive Director for Shelter Partnership



**APPENDIX
CITY OF LANCASTER**

The following changes would bring Lancaster'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 the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at http://www.hcd.ca.gov/hpd/housing_element/index.html, the Department's publication, *Housing Element Questions and Answers (Qs & As)*, and the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *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 (Section 65583(a)(1)).*

Extremely Low-Income – In accordance with Chapter 891, Statutes of 2006 (AB 2634), the element must identify the number of existing and projected extremely low-income households and analyze their housing needs. While the element includes a quantified objective for extremely low-income (page I-5), it does not include a quantification and analysis of projected housing needs. To estimate the projected housing need of extremely low-income households, the element may either use available census data to calculate the percentage of very low-income households that qualify as extremely low-income households, or estimate 50 percent for very low-income households qualify as extremely low-income households. To assist in the analysis of housing needs of extremely low-income households, the Department has enclosed an analysis from the *Building Blocks'* website and Housing and Urban Development (HUD) data from the Comprehensive Housing Affordability Strategy (CHAS) including information on various characteristics such as overpayment and housing situations. This data should be utilized to formulate specific policies and programs to assist in the development, maintenance or improvement of housing for extremely low-income households.

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 (Section 65683(a)(2)).*

The element includes some general information on the age of housing stock and the number of units lacking kitchen and plumbing facilities by tenure (page D-19-20); however it should also include an estimate of the number of units in need of rehabilitation and/or replacement. The estimate should also consider relevant local assessments including, for example, information from the code enforcement agency. This information will assist the City in developing appropriate housing policies and in prioritizing housing resources. For further information refer to the housing stock characteristic section of the *Building Blocks'* technical assistance tool.

3. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Lancaster has a Regional Housing Need Allocation (RHNA) of 12,799 housing units, of which 5,133 units are for lower-income households. To address the total need, the element relies on approved and entitled units, pending developments, and four redevelopment and infill opportunity areas within the City. However, to demonstrate the adequacy of these sites and strategies to accommodate the RHNA, the element must include:

Progress Toward the Regional Housing Need: The element indicates 778 units affordable to low- or moderate- income households are proposed, approved, or constructed since 2006 of which 481 units will be affordable to lower-income households (page I-2). However, the element does not describe how these units were determined to be affordable. To credit units toward the City's share of the regional housing need for lower-income households, the element must demonstrate the affordability of the units based on actual rents or sales prices or other mechanisms ensuring affordability.

To establish the City's remaining RHNA by income, the element should also clarify the current status of the projects identified on Table HE I-1 and Appendix A. For projects listed on Table HE-1 that are pending approval, the element should provide information regarding the zoning and general plan designation. Pending projects providing housing affordable to lower-income households should also describe the types of entitlements needed for approval and as noted above, indicate how the affordability was established. The element should clarify the number of units that have been built from the approved lots listed on Appendix A since January 1, 2006, the number of units expected to be developed within the planning period from the remaining entitlements, current zoning designations of vacant parcels, and anticipated affordability if other than above-moderate.

Site Inventory: The element does not address this requirement. It must include a parcel-specific inventory of potential sites that could accommodate the remaining RHNA. The inventory must list sites by parcel number or unique reference, parcel size, zoning, general plan designation, describe existing uses for any non-vacant sites and include a calculation of the realistic residential capacity of each site. To assist in addressing this statutory requirement, please refer to the *Building Blocks'* section on Inventory of Land Suitable for Residential Development http://www.hcd.ca.gov/hpd/housing_element/screen15_land.pdf.

The element identifies a relatively limited amount of higher density capacity for residential development (i.e., MR2), particularly compared to the amount of land designated for lower density. For example, Table G-2 identifies vacant residential capacity for over 48,887 units. Of which, only 876 units are identified in the R-3 or higher density zoning districts; representing less than 2 percent of the total residential

capacity. Given the acknowledged need for additional multifamily development, the City should consider adding programs to promote a mix of uses and identify additional acreage in the City's higher density zoning districts. The element could also, for example, describe the potential for higher density residential development within the North Downtown Transit Village, the Northeast Gateway Corridors, the Lowtree Neighborhood, and Downtown Lancaster Specific Plan. The element could include additional information on the development potential expected within these areas within the planning period and identify opportunities sites or areas that could accommodate the remaining RHNA.

Suitability of Non-Vacant Sites: Should Lancaster need to rely on non-vacant or underutilized sites to accommodate a portion of the remaining regional housing need, the element must describe the existing uses of identified sites and include an analysis of the extent to which those uses may impede residential development. To demonstrate the suitability of these sites, the element should also describe development trends, market conditions, and characteristics and circumstances leading to redevelopment. The housing element could describe existing or planned financial assistance or regulatory relief from development standards that will be provided to encourage and facilitate more intensive residential development on the identified underutilized sites. To assist in addressing this statutory requirement, please refer to the *Building Blocks* website at http://www.hcd.ca.gov/hpd/housing_element/screen18_non_vac.pdf.

Realistic Capacity: The element must describe the methodology for determining the capacity estimates of sites in the inventory that adjusts the calculation to account for land-use controls and site improvements, including height limits, floor area ratios and could reflect recently built densities. For mixed-use or commercial sites that allow residential uses, the element should also account for potential non-residential uses, and any performance standards mandating a specified portion of a mixed-use site as non-residential (i.e., first floor, front space as commercial).

Should the City need to rely on sites within the Downtown Lancaster Specific Plan, the element must describe the methodology used to determine capacity and anticipated density based upon the form-based code development standards; buildings type, and use requirements. The methodology must also account for competing uses allowed in building types designated for residential use.

Zoning for Lower-Income Households: The element must identify zoning to encourage and facilitate the development of housing affordable to lower-income households. This analysis should be based on factors such as market demand, development experience within zones, and specifically address the impacts of density on financial feasibility. For communities with densities that meet specific standards (at least 30 units per acre for Lancaster), this analysis is not required (Section 65583.2(c)(3)(B)).

The element describes a base density of 15.1 in high density residential zones (page G-20). According to the analysis, to develop at densities above the base density, a project must provide additional facilities as determined to be satisfactory by the approving authority. While the element (pages G-20-21) lists some

developments occurring at densities above the base density and describes the affordability of market-rate rents, it must include a more detailed analysis to demonstrate how the base zoning encourages the development of units affordable for lower-income households. This analysis should specifically address the impacts of the base density on financial feasibility of the development of housing affordable to lower-income housing.

Environmental Constraints: The element did not address this requirement and must generally describe any known environmental constraints that could impede development in the planning period as they relate to the identified sites.

Infrastructure: While the element provides a detailed analysis on constraints to the supply of water, the element must identify whether sufficient total water and sewer capacity is available to accommodate the City's share of the regional housing need.

For your information, Government Code Section 65589.7 requires water and sewer providers to establish specific procedures and grant priority water and sewer service to developments with units affordable to lower-income households. The statute also requires local governments to immediately deliver the housing element to water and sewer providers. The Department recommends including a cover memo describing the County's housing element, including its housing needs and share of the regional housing needs (see enclosed memo).

Sites with Zoning for a Variety of Housing Types: The housing element must demonstrate the availability of sites, with appropriate zoning, that will *encourage and facilitate* a variety of housing types including supportive housing, single-room occupancy units (SROs), emergency shelters, and transitional housing. An adequate analysis should, at a minimum, identify whether and how zoning districts explicitly allow the uses, analyze whether zoning, development standards and permit procedures encourage and facilitate these housing types. If the analysis does not demonstrate adequate zoning for these housing types, the element must include implementation actions to provide appropriate zoning. Additional information on this requirement, including a sample analysis, is available in the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element/screen20_varhsytypes.pdf.

Single Room Occupancy Units (SROs): The element did not address this requirement. See required analysis detailed above.

Emergency Shelters: As referenced (page D-27), the City must comply with recent statutory changes pursuant to Chapter 633, Statutes of 2007 (SB 2) requiring, among other things, the identification of at least one zone(s) where emergency shelters are permitted without a conditional use permit (CUP) or other discretionary action within one year of the beginning of the planning period. While the element states Lancaster will amend the zoning code to identify zones where emergency shelters will be allowed by "administrative review", the City should identify which zones the City is considering to accommodate the development of emergency shelters and describe and analyze the "administrative review" process to ensure compliance with the SB 2. The zone must provide sufficient opportunities to accommodate the identified need in the planning period, including opportunities available in suitable locations near

services and facilities. In addition, the element must demonstrate that proposed permit processing, development, and management standards encourage and facilitate the development of, or conversion to, emergency shelters. To assist in addressing this statutory requirement, please refer to the Department's SB 2 memo at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

Transitional and Supportive Housing: Pursuant to SB 2, the element must demonstrate transitional and supportive housing is treated as a residential use subject only to those restrictions that apply to other residential uses of the same type in the same zone. For example, if the transitional housing is a multifamily use proposed in a multifamily zone, then zoning should treat the transitional unit the same as other multifamily uses proposed in the zone.

4. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(5)).*

Land-Use Controls: While the element describes Lancaster's zoning and development standards on Table HE-F-1, it should also analyze these standards for their impact on the supply and affordability of housing. For example, the element should evaluate the cumulative effect of development standards such as lot coverage, minimum lot areas, parking requirements and minimum floor areas. In addition, while the element describes a range of densities allowed in each zone, as described on page G-20, housing developments in the commercial business district, medium density, and high density residential zones are restricted to developing at the base density unless additional amenities are provided as part of the project. The element must describe the base density restrictions, the typical amenities required to be granted an increase in densities, and analyze these standards for impact on the development of housing affordable to lower-income households and the implementation of the City's policy to encourage efficient use of infill land. As stated on page F-3, an efficient use of infill land reduces development costs through the reuse of infrastructure and other resources, and offsets the fiscal impacts of urban sprawl identified in the City's fiscal analysis of land-use patterns.

The element should also analyze the City's adopted density bonus provisions for compliance with State density bonus law (Government Code Section 65915-65918) and should describe how increases in density from the base density (but within the allowed density range) due to the provision of additional amenities relate to density bonus requirements.

Furthermore, the element should describe and analyze the development standards for mixed-use development, including performance standards and permitted uses as they apply to the development of housing on sites identified to accommodate the remaining housing need. The element should also describe the form-based code regulating the Downtown Specific Plan as follows:

- The relationship between General Plan land-use designation and the form-based code,
- Performance and processing standards,
- Development standards regulating housing including a description of how the code controls form, bulk, building types, performance standards (e.g., ground floor commercial, 30 percent commercial etc), uses, and any related design criteria.

For further assistance in addressing this requirement, please refer to the sample analysis on the Department's *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element/screen23_constraint.pdf.

Fees and Exactions: While the element lists some planning fees (Appendix B and Page F-4), it should be revised to identify all relevant planning and impact fees, including a description of the **total** typical fees on single- and multi-family projects, and could address the proportion of applicable fees and exactions on development costs for both single- and multi-family housing. For a sample analysis and other information on the required analysis, please refer to the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element/screen24_constraints.pdf.

Local Processing and Permit Procedures: While the element describes the average processing time for various development approvals, it does not describe the actual permit approval process by housing type. The element must describe and analyze the City's permit processing and approval procedures by zone and housing type including typical processing procedures and timeframes for both single- and multi-family housing. The element should describe type of permits, level of review, including any discretionary approval procedures (i.e., conditional use permits (CUP)).

While the City has removed the CUP requirement for all multifamily within multifamily zones except when abutting rural residential or single-family residential zones, the element must thoroughly analyze the remaining CUP requirement for multifamily housing including an identification of typical findings of approval for the CUP and their potential impact on approval certainty, timing, and cost. The element should also indicate if any of the identified sites to accommodate lower-income households require a CUP. Given the acknowledged need for additional multifamily housing and the City's policy to encourage infill development, it will need to include a program to remove or mitigate this permitting requirement.

For further assistance, please refer to the sample analysis in the Department's *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing_element/screen25_constraints.pdf.

Site Improvements: While the element notes sidewalks, curbs and other improvements requirements can contribute to the cost of housing (page F-3), the element should identify the actual standard (i.e., 40 foot minimum street width) and analyze potential impacts on the cost and supply of housing.

Code Enforcement: The element should discuss the type and degree of code enforcement activities including any efforts to link code enforcement activities to housing rehabilitation programs.

Constraints on Persons with Disabilities: Pursuant to Chapter 671, Statutes of 2001 (SB 520), the element must include a detailed analysis of zoning and development standards for the development of housing for persons with disabilities to identify any constraints, and if necessary include programs to address this need. For example, among other things, the element should describe and analyze: 1) the City's definition of family including restrictions on residency for "residential facilities"; 2) definitions of housing for persons with disabilities; 3) maximum concentration requirements for residential care facilities; 3) any site planning requirements that may constrain housing for persons with disabilities; 4) parking requirements for any and all housing types that serve persons with disabilities; and 5) conditions, limitations, or use restrictions on licensed residential care facilities with greater than 6 persons. To assist in addressing this statutory requirement, please refer to the *Building Blocks*' section on Constraints for Persons with Disabilities at http://www.hcd.ca.gov/hpd/housing_element/screen27_sb520.pdf.

5. *Analyze any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, and families and person in need of emergency shelter (Section 65583(a)(7)).*

The element provides a good description of facilities within Lancaster that provide emergency shelter and services to the homeless population. However, while the element estimates the homeless population within Antelope Valley at 1,815 persons based upon a 2007 Greater Los Angeles Homeless Count (page D-25), it must include an estimate of the proportion of those persons within the City and assess the need for emergency shelters.

6. *Analyze the opportunities for energy conservation with respect to residential development (Section 65583(a)(8)).*

The element generally describes actions that could reduce energy consumption (page G-8) including increasing development intensities, site design, encouraging local employment opportunities, and housing proximate to jobs, commerce and recreational opportunities. It also provides a fiscal evaluation of sprawling land patterns which also leads to higher energy consumption and increased emissions. The element should, however, describe specific efforts Lancaster has or will take to address energy conservation goals. Given the importance of promoting strategies to address climate change and energy conservation, the City's analysis could facilitate adoption of housing and land-use policies and programs in the housing element that meet housing and conservation objectives. Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters. For example, the

element could include incentives to encourage infill development and reduce sprawl, encourage the use of green building techniques and materials in new and resale homes, promote energy audits and participation in utility programs, and facilitate energy conserving retrofits upon resale of homes. Additional information on potential policies and programs to address energy conservation are available in the *Building Blocks'* technical assistance tool at http://www.hcd.ca.gov/hpd/housing_element/screen12_conservation.pdf.

B. Housing Programs

1. *Include a program which sets forth a five-year schedule of actions 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, 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 (Section 65583(c)).*

To address the requirements of Government Code Section 65583(c)(1-6), most programs must be revised to include specific completion dates, specific action steps, and detailed descriptions of the City's role in implementation. Many programs do not list specific dates but rather are assigned a priority status (Priority 1-3). The element should describe how the priority rating relates to timeframes for implementation. Programs to be revised and strengthened include, but are not limited to the following:

6.1.1 (b) – Provide a specific timeframe to establish of the monitoring program.

6.1.1(e) – Describe how the City will encourage and assist local nonprofits to actively seek the acquisition of funding sources and describe the types of regulatory incentives the City will provide to assist in the development of housing affordable to lower-income households. Provide specific timeframes for submitting funding applications and describe the City's role in assisting in the applications (i.e., letters of support, assistance with the pro forma, etc.).

6.1.4(c) – Provide specific timeframes for both identifying and acquiring residential properties for conversion to affordable housing.

7.2.1(k) – Clarify whether the City will apply for additional CalHome funds, and, if so, when.

2. *Provide information on the redevelopment agency's role in the City's effort to encourage the development of a variety of housing types for all income levels (Section 65583(c)).*

The element should estimate the amount of funds expected to accrue to the Redevelopment Low- and Moderate-Income Housing Fund over the planning period and identify anticipated use of those funds throughout the current planning period. The element should verify sufficient funds for all identified programs reliant on RDA.

For your information, Lancaster should be aware Health and Safety Code Section 33334.4 requires agencies, over each 10-year period of the implementation plan, to ensure housing assistance is proportionately provided to very low- and low-income households (based on the proportion each group represents of the community's total housing need for lower- and moderate-income persons) and also to persons under the age of 65 years (based on the proportion this population group represents of the total population reported from the current census). In addition, Section 33413(b)(4) requires a redevelopment implementation plan to be consistent with a community's housing element. The integration of applicable information from the redevelopment agency's current housing implementation plan into the housing element will assist in the development of an effective housing element.

3. *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 types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in finding A3, the element does not include a site inventory or analysis and 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 strengthen programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

For your information, where the inventory does not identify adequate sites pursuant to Government Code Sections 65583(a)(3) and 65583.2, the element must provide a program to identify sites in accordance with subdivision (h) of 65583.2 for 100 percent of the remaining lower-income housing need with sites zoned to permit owner-occupied and rental multifamily uses by-right during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 20 units per acre. Also, at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses.

Given Lancaster's acknowledged need and interest in promoting infill opportunities to provide additional housing opportunities for low- and moderate-income families, programs in the element should be expanded or strengthened to provide specific policies or incentives to promote infill development. In addition Program 6.1.2(b) should be strengthened to describe specific incentives Lancaster will adopt to encourage mixed-use development.

Program 8.1.2(g) must be modified to comply with requirements of SB 2. Specifically, the program should identify a zone(s) where emergency shelters will be permitted without a CUP or other discretionary action, and demonstrate sufficient capacity is available within this zone to accommodate the City's need. The zoning code must also permit transitional and supportive housing as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. To assist in addressing this statutory requirement, please refer to the Department's website at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

4. *The housing element shall contain programs which "assist in the development of adequate housing to meet the needs of extremely low-, low- and moderate-income households (Section 65583(c)(2)).*

While the element includes some programs to assist the development of very low-, low-, and moderate-income households, programs should be expanded or added pursuant to Chapter 891, Statutes of 2006 (AB 2634), to specifically assist in the development of a variety of housing types to meet the housing needs of extremely low-income households. While Policy 6.1.5 states the City will facilitate housing for extremely low-income households, the supporting program does not describe any specific actions to implement this policy.

Furthermore, given the need for housing affordable to non-senior family households, the lack of multifamily housing built in the prior planning period, and overcrowding among renter households, the City should consider strengthening or adding programs to specifically encourage and facilitate all types of multifamily rental housing. In addition Program 6.1.3(c) should be updated to reflect current provisions of State density bonus law (Government Code Section 65915-65918). For example, density bonus law now allows for a density bonus of up to 35 percent.

5. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding A4, the element requires a more detailed analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to strengthen or add programs and address and remove or mitigate any identified constraints.

C. 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 (Section 65583(c)(7)).

While the element indicates the City held a number of workshops and public hearings during the course of the update, it must describe how the City has or will make a diligent effort to achieve the involvement all economic segments of the community through the adoption process. For example, the element could include a listing of the organizations that were invited to attend the housing element public workshops, what organizations were represented in the General Plan Citizen Advisory Committee, and describe who received copies of the draft element for comment. The element should also include a description of how comments were incorporated in the housing element. For further assistance, please refer to the *Building Blocks'* http://www.hcd.ca.gov/hpd/housing_element/screen02_public_participation.pdf.