

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

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May 20, 2022

Manuel Muñoz, Planning Manager  
Planning Division  
City of Azusa  
213 E. Foothill Blvd.  
Azusa, CA, 91702

Dear Manuel Muñoz:

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

Thank you for submitting the City of Azusa's (City) housing element adopted March 7, 2022, and received for review on March 21, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on May 10, 2022, with you, Manuel Muñoz, and the City's consultant Genevieve Sharrow of MIG.

The adopted housing element addresses most statutory requirements described in HCD's November 23, 2021 review; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes revisions needed to comply with State Housing Element Law.

The City's statutory deadline to adopt a housing element was October 15, 2021. For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of this statutory deadline, then any rezoning to accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD is 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 Molivann Phlong, of our staff, at [Molivann.Phlong@hcd.ca.gov](mailto:Molivann.Phlong@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 AZUSA

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. 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).)*

Patterns and Trends: The revised element includes information on racial composition and trends over time, a discussion of redlining, racial or ethnically concentrated areas of poverty (R/ECAPs) or racially concentrated areas of affluence (RCAAs), substandard housing, and location of persons at risk of displacement throughout the City. However, the analysis should address patterns at the local and regional levels and trends in patterns over time. The element must further analyze the various socio-economic characteristics, such as analyzing the patterns and trends of race and ethnicity in comparison to the region or neighboring cities. The element provided a discussion on dissimilarity indices between ethnic groups; however, it must also provide this discussion for the City. For Income, the element also identifies that 15 percent of residents live in poverty (p. 112); however, the element should analyze this pattern over time and describe the specific median household income and trends for Black and Asian residents in the City. For disabilities, the element states that 8.4 percent of residents live with disabilities (p. 111); however, the element must analyze this and identify patterns and trends over time.

Disparities in Access to Opportunity: The revised element includes information on neighborhood access to resources, disparities in access to education, disparities in access to the environment, and employment. However, the element must identify transportation options available to seniors, persons with disabilities, and low-income residents in the City and analyze the disparities in access to opportunity for transportation. The element should also address the housing and community needs of persons with disabilities. The element could also include any local knowledge and background information on school rankings by evaluating the presence or lack of policies, practices, and investment that contribute to low-ranking schools.

Disproportionate Housing Needs, Including Displacement Risk: The element should evaluate the location of substandard housing throughout the City.

Goals and Actions: The revised element includes discrete timelines for some programs. However, programs containing language such as “Continue” or “Ongoing” should be amended to include specific milestones and measurable actions, even if the action is considered “Ongoing”. Goals and actions must significantly seek to overcome contributing factors to fair housing issues and must include metrics and milestones to target meaningful fair housing outcomes. The element must revise programs based on a complete analysis and connect to prioritized contributing factors to fair housing issues.

2. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality’s housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Suitability of Nonvacant Sites: The revised element includes additional information on the suitability of nonvacant sites and Program H3-10 (p. 27) to support redevelopment of existing nonresidential uses. However, the element must demonstrate how factors and trends used to identify sites relate to the sites selected in the inventory and how those factors support the potential for redevelopment within the planning period. The analysis should also describe any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites. In addition, Table H-B.5: Azusa TOD Specific Plan Small Parcel Sites (Less than 0.5 acres) (p. 247), identifies sites that are on Historic US Route 66. The analysis must further analyze the suitability of nonvacant sites in historically designated areas and should consider factors including if any of the existing uses on sites identified are on local, state, or federal historic registers and the extent to which existing uses may constitute an impediment to additional residential development. Depending on the results of this analysis, program actions may need to be added or modified as appropriate.

Additionally, the element states (p. 163) a local church site was identified by local developers for potential redevelopment; however, no further description was provided. The element states that housing is allowed on all church sites as these sites are in residential zoned areas and the underlying zoning is compatible with residential use. Further support and analysis are needed to demonstrate the feasibility of these sites. For example, the element could also analyze how church sites were selected, outreach conducted, further describe expressed interests of landowners of religious institutions, and further analyze the compatibility of these sites with residential use or the underlying zoning. In addition, the element should also analyze the feasibility of developing one unit on religious institutional sites. The analysis should further examine the sites in question for their development capacity, and profile actions the City is taking to make such development feasible.

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 regional housing need allocation (RHNA). Any future re-adoption of the housing element must include the appropriate finding as part of the adoption resolution.

## **B. Housing Programs**

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A2, 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.

The revised element includes Program H3-10 (p. 27) to establish tools and actions to support the redevelopment of existing nonresidential uses. However, this program should go beyond “Explore” with specific commitment to milestones and measurable actions to facilitate significant and meaningful change (e.g., amend, complete, establish).

Accessory Dwelling Units (ADUs): The revised element (p. 23) included a reduction in assumptions for ADUs to 29 per year for an estimated total of 242 units during the planning period. However, Program H3-4 (Accessory Dwelling Units (ADUs)) should be revised with specific commitments to adequately support ADU assumptions. For example, the program could identify and retain an ADU specialist to respond to inquiries and support outreach efforts (within a year of housing element adoption); provide specific additional resources, incentives, and strategies, such as flexible zoning requirements, development standards, waiving plan check and permit fees for ADUs, preparing and providing updated ADU forms, brochures, and pre-approved ADU construction plans that are customizable at a minimal cost to the applicant; and prioritize and streamline ADU review processes for approval. The Program should also be revised to provide specific timeframes for implementation of each identified action early enough in the planning period to ensure a beneficial impact on housing production.

Although Program H3-4 proposes to monitor ADU permit and approvals, and to implement additional incentives or other strategies to ensure adequate sites if ADU production targets are not met at the midpoint of the planning period, the Program should commit to annually or bi-annually monitoring ADU production and affordability. If ADU production levels fall short, Program H3-4 should commit to ensuring adequate sites are available to address the lower income RHNA or commit to rezoning additional sites within one year (as necessary) to offset any shortfall. Additional actions, if necessary, should be taken in a timely manner (e.g., within 6 months).

2. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

Program H3-2 commits to facilitating the construction of residential units in mixed-use zones and within the TOD Specific Plan Area, along with zoning and development standards and incentives for the inclusion of units affordable to extremely low-, very low-, low-, and moderate-income households. However, the element should identify the particular incentives that are included in these areas for the provisions of these units. In particular, the element should identify if there are any specific provisions that further facilitate the construction of housing affordable to extremely low-income households.

3. *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 protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element does not contain programs which satisfy the AFFH requirements for specific and meaningful actions to overcome fair housing issues. Based on a complete analysis, the element must add or revise programs.

Goals and actions must significantly seek to overcome contributing factors to fair housing issues. Currently, the element identifies program(s) to encourage and promote affordable housing; however, most of these programs do not appear to facilitate any meaningful change nor address affirmatively furthering fair housing requirements. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. HCD will send samples under separate cover.