

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

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January 13, 2025

Abraham Prado, Director
Planning and Land Use Division
Resources Management Agency
County of San Benito
2301 Technology Parkway
Hollister, CA 95023-9174

Dear Abraham Prado:

RE: County of San Benito's 6th Cycle (2023-2031) Revised Draft Housing Element

Thank you for submitting the County of San Benito's (County) revised draft housing element received for review on November 15, 2024, along with revisions received on January 10, 2025. The revisions were posted and made available to the public for seven days prior to review. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on December 20, 2024 with Arielle Goodspeed, Principal Planner; Stephanie Reck, Housing Programs Coordinator; and Bryant DeLaTorre, Consultant. In addition, HCD considered comments from Mia Casey, Bill Lee, and Michael Durkee pursuant to Government Code section 65585, subdivision (c).

The revised draft element addresses many statutory requirements described in HCD's September 17, 2024 review; however, revisions will be necessary to comply with State Housing Element Law (Gov. Code, § 65580 et seq), as follows:

1. *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).)*

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... (Gov. Code, § 65583, subd. (c)(1).)

Realistic Capacity: HCD's prior review found that the estimate of the number of units for each site must be adjusted as necessary, based on the land use controls and site improvements. While the element now states that "assumed densities were established... to account for development standards, common on-/off-site improvements, and unique parcel conditions," it should still clarify how development standards and site improvements were considered in site unit capacity calculations. For example, the element states that "hypothetical development standards were applied to identified sites to determine if hypothetical projects would be able to develop at full density without exceptions if development standards were applied." However, Tables B-6 and B-7, which provide sample site calculations, do not appear to account for development standards and site improvements. The element should reconcile this information and revise capacity on identified sites, as appropriate.

Additionally, Table B-2 was amended to reflect revised realistic capacity assumptions, indicating a low-income need of 168 units on identified sites. The element should either demonstrate adequate capacity for the remaining lower-income RNHA under existing zoning or amend timing of Program 3-2 (Residential High Rezone and General Plan Amendment) to rezone sites prior or concurrent with adoption of housing element to be found in substantial compliance with State Housing Element Law. Specifically, for your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that failed to adopt a compliant housing element within one year from the statutory deadline cannot be found in compliance until any rezones to make prior identified sites are available or accommodate a shortfall of sites are completed pursuant to Government Code sections 65583, subdivision (c)(1)(A) and 65583.2, subdivision (c).

Based on the outcomes of a complete site analysis, the County should add or modify programs, as appropriate, to address a shortfall of sites or zoning available to encourage a variety of housing types.

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 5-10 (Farmworker Housing and Outreach): The Program should specify discrete timing for outreach to farmworker groups as part of the update to the agriculture element. In addition, while the program commits to adopting incentives for farmworker housing by December 2027, it should consider a date earlier in the planning period to better promote outcomes in the planning period. Finally, the Program should commit to significant metrics in terms of number of units and actions beyond discussing housing such as annually identifying new construction and rehabilitation housing opportunities.

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... (Gov. Code, § 65583, subd. (c)(5).)*

While the element includes many meaningful actions to affirmatively further fair housing (AFFH), it should expand actions to address displacement risk and improve place-based actions toward community revitalization. Actions should have specific commitment, discrete timing, metrics or numeric objectives and geographic targeting. Examples of place-based strategies include targeting the County's capital improvement program toward a broad range of activities, applying for funding toward community revitalization, community amenities, parks, community facilities, recreation facilities, active transportation, infrastructure, streetscape improvements, safe routes to school and other community development activities. In addition, programs should be revised, as follows:

- *Program 5-8 (Anti-Displacement Actions):* The prior review found that the Program should include specific and measurable actions to address housing mobility. While the Program was revised to identify additional strategies that encourage missing middle zoning, the element must include a significant suite of programs to promote housing mobility or housing choices and affordability throughout the County, including relatively higher income and resource areas and racially concentrated areas of affluence (RCAA). These programs should not be limited to the RHNA and, instead, target significant and meaningful change. To address this, the program should include additional actions that promote housing choices and affordability throughout the County. Examples include identifying additional multifamily areas, additional religious institutional sites, and enhancing accessory dwelling units (ADUs), junior accessory dwelling units (JADU) or additional conversion of existing space, and home sharing strategies. In addition, while the element was revised with numeric objectives toward RCAAs, the Program should also include metrics targeting relatively higher resource and higher income areas. Finally, while the Program was revised to commit to adopt identified missing middle housing strategies by December 2027, it should consider a date earlier in the planning period to better promote outcomes in the planning period.

In addition, while the Program was revised to include additional potential anti-displacement strategies for the County to adopt, the Program should clarify timing for adopting the anti-displacement strategy.

Program 6-2 (Weatherization Program): The prior review found that the Program should add timing, including milestones for implementation. While the element was revised to indicate that weatherization efforts will be ongoing, it should also include milestones for implementation throughout the planning period.

The element will meet the statutory requirements of State Housing Element Law once rezoning has been completed, if necessary, (see below) and the element has been revised, adopted, submitted, and reviewed by HCD to comply with the above requirements pursuant to Government Code section 65585.

As a reminder, the County's 6th cycle housing element was due December 15, 2023. As of today, the County has not completed the housing element process for the 6th cycle. The County's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the County to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the County should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

HCD acknowledges the County's ongoing efforts in identifying appropriate sites to accommodate the RHNA and further understands annexations are part of its strategy to accommodate the RHNA. As part of future public participation efforts on the housing element update and implementation, HCD urges the County to coordinate with the City of Hollister to best facilitate future development, while maintaining consistency with RHNA objectives and methodology and considering the unique conditions and circumstances of both the City and County.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the County 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 County 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 appreciates the cooperation and dedication the County's housing element team provided during the review. We are committed to assisting the County in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Clare Blackwell, of our staff, at Clare.Blackwell@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