

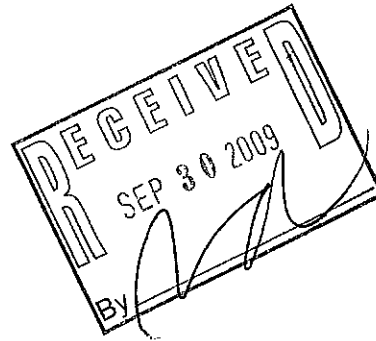
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 29, 2009

Mr. Mike Niblock  
Community Development Director  
City of Stockton  
425 N El Dorado Street  
Stockton, CA 95202



Dear Mr. Niblock:

**RE: Review of the City of Stockton's Draft Housing Element**

Thank you for submitting Stockton's draft housing element received for review on July 31, 2009. 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 September 22, 2009 with you and your consultants, Mr. Ted Holzem and Ms. Chelsea Norton, of MintierHarnish, facilitated the review.

The Department commends Stockton's success in assisting developers in the construction and rehabilitation of 463 units affordable to lower-income households during the prior planning period. 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 should include a more complete analysis of identified sites and governmental constraints. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates the cooperation provided by Mr. Holzem and Ms. Norton during the course of the review and is committed to assist Stockton in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Ken Holder, of our staff, at (916) 323-3180.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathy E. Creswell". The signature is fluid and cursive.

Cathy E. Creswell  
Deputy Director

Enclosure

**APPENDIX**  
**CITY OF STOCKTON**

The following changes would bring Stockton'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](http://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](http://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).*

The City has a regional housing need allocation (RHNA) of 16,779 housing units, of which 7,543 are for lower-income households. To address this need, the element relies on vacant and underutilized sites. However, to demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Non-Vacant Sites: The element must include a description and analysis of non-vacant sites to demonstrate their potential to redevelop with residential uses or more intensive residential uses within the planning period. The inventory provides only very general descriptions of existing uses (i.e., residential, commercial-underutilized on 50 percent of parcel). The listing of existing uses should be sufficiently detailed to demonstrate the potential for redevelopment on identified sites and analyze the extent existing uses impede additional development within the planning period. For sites with residential uses, the inventory could specifically describe structural conditions or other circumstances and trends demonstrating the redevelopment potential to more intense residential uses. For non-residential sites, the inventory could note whether the use is operating, marginal or discontinued, the condition of the structure or expressed interest in redevelopment. Refer to the sample analysis on the *Building Blocks*' website at [http://www.hcd.ca.gov/hpd/housing\\_element2/SIA\\_home.php](http://www.hcd.ca.gov/hpd/housing_element2/SIA_home.php).

Suitability of Small Sites: Given the reliance of small sites, particularly on sites designated residential high density with maximum density equal to 29 units per acre, the element should evaluate the development potential for additional residential development on smaller residential infill parcels identified (Appendix A). While it may be possible to build housing on a very small parcel, the nature and conditions necessary to construct the units often render the provision of affordable housing infeasible.

Additionally, most assisted housing developments utilizing State or federal financial resources typically include at least 50 to 80 units. Consequently, the element should describe the potential of small site development for housing affordable to lower-income households, the jurisdiction's role or track record in facilitating small-lot development, and where necessary include program actions to promote lot consolidation and/or parcel assemblage.

Emergency Shelters: The element includes Program 24 to permit emergency shelters in the IL, IG and PF zones. However, pursuant to Chapter 633, Statutes of 2007 (SB 2), the element must describe sufficient capacity to accommodate the need and describe the suitability of the planned area for emergency shelters. See the Department's SB 2 technical assistance memo at [http://www.hcd.ca.gov/hpd/sb2\\_memo050708.pdf](http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf).

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)).*

Land-Use Controls: The element states that the City applies more flexible development standards for infill projects to encourage and maximize opportunities for development (page 4-106). The element should describe how these development standards are implemented and what is required to obtain flexibility. Additionally, the element should state how The Village development standards listed in Table 4-62 relate to the corresponding zoning designations and settlement agreement.

Processing and Permit Procedures: The element states that multifamily development in the RM and RH multifamily zones must be approved by the Planning Director through a Administrative Use Permit (AUP) (page 4-113). This process must be analyzed as a potential constraint and should identify findings of approval for the AUP and their potential impact on approval certainty, timing, and cost. The City may need to include a program to address this permitting requirement.

Fees and Exaction: The element contains a list of planning and impact fees (Table 4-70); however, it should also analyze the total effect or proportion of these fees and exactions on development costs for typical single- and multi-family housing developments.

Constraints on Persons with Disabilities: The element indicates the City has no formal process for requesting a reasonable accommodation. Therefore, Program 29 should be revised to commit the City to adopt a reasonable accommodation procedure that provides exception in zoning and land-use for persons with disabilities. Additionally, the element should analyze any potential impacts of requiring an administrative conditional use permit for group homes for seven or more persons.

## **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 A-1, the element does not include a complete sites 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 revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

The element indicates the City's desire to promote compact infill development as part of a settlement agreement with 14,000 units within the City limits, of which 4,400 units are to be in the Greater Downtown Area. However, the element does not describe how the City will promote this development. For example, the element does not appear to identify or rezone higher density sites sufficient to accommodate the 4,400 units and only includes one program (Program 14) which appears limited to single-family development. Given the importance of promoting compact development with a mix of uses to address climate change and energy conservation while maximizing land resources and addressing the RHNA, the element should include specific actions to identify higher density capacity and promote infill development. For example, the element could include a program to rezone sites sufficient to accommodate the 4,400 units at densities of 30 units per acre or greater and establish specific incentives by a date certain to mitigate fees and improvement costs, relax development standards and promote lot consolidation above density bonus law. In addition:

Program 1 (Adequate Sites Monitoring): The Program could include efforts to make the vacant land inventory available to the public and development community (i.e., City website, planning counter etc.).

Program 2 (Housing Stock Review): Describe how the City will use the information gathered from the housing stock review to influence a balanced housing mix. The Program could also be used to evaluate the effectiveness of incentives being offered to influence a variety of housing types and to monitor the requirements of Chapter 706, Statutes of 2002 (AB 2292), which requires local governments to make a finding that any density reduction or downsizing is consistent with its housing element.

Program 14 (Infill House Plan): Describe how the City will promote the availability of pre-approved housing plans.

Program 15 (Infill Review Team): As specified in the 2035 General Plan Settlement Agreement, the Program should include incentives the City will offer to developers to promote infill and downtown area development. Additionally, the element could include programs to promote and incentivize development of attached single-family residences and apartments.

2. *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)).*

Program 9 (Applying for Additional State and Federal Funding): The Program should describe which additional State and federal funding sources the City will work towards securing with specific timeframes to apply (i.e., annual or bi-annual) or assist with applications.

Program 25 (Support for Existing Shelters): The Program should specify when the City will apply for State and federal funds (i.e., annual or bi-annual).

Farmworkers: Given the significant need for housing for farmworkers in the San Joaquin Valley, the element should add or revise actions to assist in the development of housing for farmworkers. For example, Program 33 should describe when and how the City will assist in development opportunities and support applications for funding. Program 16 should be revised to be consistent with H&S Codes 17021.5 and 17021.6. Other programs the City could consider include working with growers and stakeholders to identify strategies, establishing prototype plans for employee housing or providing zoning beyond the Employee Housing Act, such as allowing bunkhouses or additional housing in agriculture zones. See the Department's *Financial Assistance Program Directory* at [http://www.hcd.ca.gov/fa/LG\\_program\\_directory.pdf](http://www.hcd.ca.gov/fa/LG_program_directory.pdf). Other resources include the USDA website at <http://www.rurdev.usda.gov/> and Rural Community Assistance Corporation at <http://www.rcac.org/>.

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 A-2, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

The element includes Programs 13 and 4 which have the potential to constrain development without offsetting provisions. Program 13 indicates it will limit development outside infill areas and at the City's outskirts in a manner that is not out of balance with development of infill. However, how the City intends to implement this program is unclear. For example, the element does not describe whether this program could result in a limit or moratorium on permits in areas on the outskirts of Stockton. Additionally, Program 4 states it will develop and adopt impact fees on new development to ensure development outside infill areas is "fiscally" positive for the City but does not mention possible criteria for

determining whether development is fiscally positive or the extent of fees on development outside infill areas. As a result, the element should include sufficient information to clarify the incentive rather than the constraint focus of these programs. In doing so, consider their impacts on development costs, supply and affordability and revise programs as appropriate.

Program 29 (Reasonable Accommodation): The Program must commit to establish a reasonable accommodation procedure to provide exception in zoning and land-use for persons with disabilities.

4. *The housing element shall include programs to “conserve and improve the condition of the existing affordable housing stock” (Section 65583(c)(4)).*

Program 47 (Weatherization Activities): Describe how the City will promote its weatherization assistance program.