

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

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September 1, 2023

Matt Diaz, Advanced Planning Manager  
Community Development Department  
City of Stockton  
425 N. El Dorado St,  
City of Stockton, CA 95202

Dear Matt Diaz:

**RE: City of Stockton's 6<sup>th</sup> Cycle (2023-2031) Draft Housing Element**

Thank you for submitting the City of Stockton's (City) draft housing element received for review on June 6, 2023, along with additional revisions received on September 1, 2023. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. HCD considered comments from Nichole Mendoza, Disability Rights California, pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

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 the statutory deadline (December 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA) shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

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 appreciates the commitment and cooperation of the housing element update team during the update and our review. We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Irvin Saldana, of our staff, at [Irvin.Saldana@hcd.ca.gov](mailto:Irvin.Saldana@hcd.ca.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall". The signature is stylized and written in a cursive-like font.

Paul McDougall  
Senior Program Manager

Enclosure

## APPENDIX CITY OF STOCKTON

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

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

*Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)*

The element must provide a cumulative evaluation of the effectiveness of past goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers, and persons experiencing homelessness).

### **B. Housing Needs, Resources, and Constraints**

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Regional Analysis: A complete analysis of affirmatively furthering fair housing (AFFH) must analyze patterns and trends at a regional (city compared to region) and local level (neighborhoods compared to other neighborhoods within the city). While the element currently provides analysis at a local level, it should be revised to incorporate a broader regional perspective. For example, the assessment could compare the City with neighboring counties such as Sacramento, Solano, and Stanislaus, or alternatively delve into patterns and trends at a Council of Government (COG) level. A comprehensive regional analysis should identify any correlations between patterns in the City's local fair housing assessment and those in the broader region.

Disproportionate Housing Needs including Displacement (Unsheltered Population): The element provides a limited analysis of the City's unsheltered population. The element must be revised to provide additional information on the need, including, impacts and patterns within the City. For instance, the element should examine disproportionate

impacts on protected characteristics (e.g., race, disability) and patterns of higher need (e.g., areas with a higher number of encampments), including access to transportation and services. Furthermore, Community-Based Organizations (CBOs) project Stockton's unsheltered population is approximately five times greater than figures indicated by the City's point-in-time survey (PIT). The element should consider this local knowledge as part of the analysis. Following a complete analysis, the element should highlight any gaps in addressing the need and integrate policies and programs to effectively overcome disparities in addressing the City's unsheltered population.

Identified Sites and AFFH: While the element mentions housing options such as ADUs will enhance housing mobility, it appears to disproportionately concentrate the lower-income regional housing need allocation (RHNA). For example, approximately three fourths of the lower-income RHNA can be accommodated in areas of high segregation and poverty. To identify sites that AFFH and promote more inclusive neighborhoods, the element should identify sites to accommodate the lower-income RHNA in relatively higher income and higher resource areas. For example, the element could identify sites to accommodate the lower-income RHNA in neighborhoods such as Trinity/Northwest Stockton, Eight Mile Rd/Bear Creek, and Northeast of Morada Lane.

Contributing Factors: Based on the outcomes of a complete analysis, the element should re-assess and prioritize the contributing factors to fair housing issues.

- Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

Farmworkers: While the element quantifies the number of farmworkers Countywide and discusses the housing needs of migrant workers, it should also analyze the housing needs of permanent and seasonal farmworkers to better formulate policies and programs. The analysis should address trends, characteristics, disproportionate needs, effectiveness of resources and strategies, magnitude of the housing need, including disproportionate housing need and the effectiveness of past policies, programs, and funding to help address those gaps. The analysis may utilize past farmworker housing studies and other studies generally applicable to their special housing needs. For example, the element could utilize a recent study conducted by University California at Merced that is available at [https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs\\_report\\_2.2.238\\_3.pdf](https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs_report_2.2.238_3.pdf). Based on the outcomes of the analysis, the element should add or modify programs to address this special housing need in the region.

- 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).)*

Realistic Capacity: While assumptions regarding realistic capacity appear to be conservative and based on recently constructed or ongoing projects, the element must

still account for all land use controls and site improvements. Furthermore, to meet the RHNA, the element assumes 50 percent of maximum allowable densities in non-residential zones. While this capacity assumption is conservative, it only accounts for realized densities in recently constructed projects. To supplement assumptions, the element must include an analysis of the occurrence of residential development in nonresidential zones. For example, the element could examine all development activity within the pertinent zones, assess how often residential development occurs, and then adjust the calculation of residential capacity along with relevant policies, and programs. Moreover, the element should commit to a mid-cycle assessment of residential development in zones that allow 100 percent nonresidential usage. Based on observable trends, the City may need to identify additional sites to meet the RHNA.

City-Owned Sites: The element must analyze the suitability and availability of City-owned sites to meet the RHNA. The analysis should discuss the status, anticipated steps for development including disposition, any known barriers to development and other relevant factors to development in the planning period. Based on a complete analysis, the element should add or modify programs to comply with the Surplus Land Act, commit to numerical objectives, including affordability, aligned with assumptions in the inventory, and a schedule of actions to facilitate development. A schedule of actions may include coordination with appropriate entities, including potential developers, disposition of the land, zoning, funding, facilitating other entitlements and issuing permits. Lastly, the program should identify and make alternative sites with zoning of equivalent capacity and density by a specified date if sites are not made available by a date early in the planning period.

Small Sites: The element appears to identify many sites that are smaller than a half-acre. These sites are not eligible to accommodate the RHNA for lower-income households absent a demonstration that sites of equivalent size and affordability were successfully developed during the prior planning period or unless other evidence is provided to demonstrate the suitability of these sites to accommodate the RHNA for lower-income households. For example, the element could analyze the potential for lot consolidation based on factors such as common ownership, past trends and characteristics leading to consolidation. Alternatively, the element could utilize these sites toward the moderate and above moderate-income RHNA. Based on the outcomes of this analysis, the element should add or modify policies and programs.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at [sitesinventory@hcd.ca.gov](mailto:sitesinventory@hcd.ca.gov) for technical assistance.

### Zoning for a Variety of Housing Types

- *Emergency Shelters:* While the element provides a general overview of zones intended to accommodate the need for emergency shelters, it should analyze

the suitability of the IL, IG, and PF zones. The analysis should address the suitability of each zone for human habitability. In addition, the element must include an analysis of reuse and redevelopment opportunities for nonvacant parcels identified as suitable for emergency shelters.

- *By Right Permanent Supportive Housing*: Permanent Supportive housing shall be a use by-right (non-discretionary) in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: The element must identify and analyze the impact of all relevant land use controls as potential constraints on a variety of housing types in all zones that allow residential uses, including non-residential zones that allow residential uses. The analysis should address any impacts on cost, supply, housing choice, feasibility, timing, approval certainty, and ability to achieve maximum densities and include programs to address identified constraints. Specifically, the analysis must describe and analyze minimum lot area coverage, height limits, setbacks, floor area ratios (FAR), and open space requirements. For example, in the RH zone, density ranges from 17.5 to 136 dwelling units per acre, yet height regulations restrict development beyond 35 feet. Additionally, certain development standards outside the “greater downtown” area limit FAR to 0.3 and lot coverage to 50 percent, in conjunction with the City’s 35-foot height limit. While there are several sites identified to meet the RHNA outside the “greater downtown” area, current standards can negatively affect the City’s ability to reach maximum densities. Lastly, the element should clarify the analysis of parking requirements on (p. BR-195) versus the descriptions provided in Table HE-62 (p. BR-196) of the element.

Local Processing and Permit Procedures: While the element outlines decision-making criteria and offers a general overview of processing timeframes, it should describe and analyze processing times and the procedures for a typical single-family and multifamily development that is consistent with zoning. The analysis should address the approval body, the number of public hearings, if any, approval findings, and any other relevant information. In addition, the analysis should address impacts on housing cost, supply, timing, and approval certainty.

Finally, the element should discuss compliance with the Permit Streamlining Act and intersections with the California Environmental Quality Act (CEQA) and timing requirements, including streamlining determinations and add or modify programs as appropriate.

Fees and Exaction: While the element provides an overview of the total impact of fees on single-family and multifamily development, it should also list and analyze planning fees (e.g., rezone, general plan amendment, conditional use permit, variance).

On/Off-Site Improvements: While the element provides a list of improvement requirements at a subdivision level, the element must analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards>.

Zoning and Fees Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards, and fees for each parcel on the jurisdiction's website pursuant to Government Code section 65940.1(a)(1)(A) and (B)).

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Permit Times: The element must analyze the length of time between receiving approval for a housing development and the submittal of an application for building permits. The element mentions the length of time between project approval in many cases is determined by the applicant (p. BR-200). However, the element should still quantify the length of time. Based on the length of time, the element should analyze any hindrances on the construction of a locality's share of the regional housing need and add or modify programs as appropriate.

Developed Densities: The element must be revised to include an analysis of requests to develop housing at densities below those anticipated in the sites inventory.

### **C. 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... (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B3, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

In addition, the element should be revised to include a program to comply with the requirements of the Surplus Land Act. Program goals and objectives must commit to numerical objectives, including affordability, aligned with assumptions in the inventory, and a schedule of actions to facilitate development. In addition, programs to facilitate small lot development must be included. For example, the element can include programs to facilitate and incentivize lot consolidation.

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).)*

Given the significant need for extremely low-income (ELI) housing needs, program intended to assist the development of housing for ELI households should target metrics and objectives in stride with the identified need. For example, Program 24 should go beyond 5 ELI households during the planning period.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Findings B4 and B5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, milestones, geographic targeting and metrics or numeric objectives and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

In addition, on August 9, 2023, HCD proposed several program revisions to assist in meeting AFFH requirements. While several programs were revised, the following programs should still be revised:

- Program 12. (PACE),
- Program 13. Green-up Stockton



- Program 14. Weatherization Activities
- Program 17 Streamline Approvals and Support for Affordable Housing Projects
- Program 20 Housing Rehabilitation Programs
- Program 21 Code Enforcement Program
- Program 28 Affirmatively Furthering Fair Housing

HCD will provide additional guidance under a separate cover.

5. *Develop a plan that incentivizes and promotes the creation of ADU that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. (Gov. Code, § 65583, subd. (c)(7).)*

Program 6 (Accessory Dwelling Units): While program language commits to revising the City's ADU ordinance by April 2024, the City must abide by State ADU Law until a revised ordinance is adopted.

#### **D. 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. (Gov. Code, § 65583, subd. (c)(9).)*

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. Moreover, the City's consideration of public comment shall not be restricted by the findings in this review. 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.