

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

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July 1, 2022

Tom Weiner, City Manager
City of Walnut
21201 La Puente Road
Walnut, CA 91789

Dear Tom Weiner:

RE: City of Walnut's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Walnut's (City) housing element adopted on March 23, 2022 and received for review on May 2, 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.

The adopted element addresses many statutory requirements described in HCD's December 9, 2022, review; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The revisions needed are as follows:

1. *Affirmatively further[ing] fair housing (AFFH) 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).)*

Goals and actions must significantly seek to overcome contributing factors to fair housing issues and include related metrics. Given identified patterns and trends demonstrate that the City is higher resourced, the element should include additional programs that enhance housing mobility in an inclusive manner throughout the community. In addition, actions must be revised to include specific metrics to target meaningful fair housing results.

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).)*

Realistic Capacity: As noted on the prior HCD review, while the element assumes the minimum proposed density for the sites based on the proposed overlay for determining of realistic capacity, it does not take into consideration the likelihood of residential development on sites where the underlining zoning allows commercial or industrial uses. The element could consider the approximate percentage of identified sites that would realistically convert to residential uses within the planning period.

Nonvacant Sites: As noted on the prior HCD review, while the element identifies nonvacant sites to accommodate the regional housing need for lower-income households, it must include a methodology that demonstrates the potential for additional development in the planning period. The methodology must consider factors such as the extent to which existing uses may impede additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites. For example, sub area 5 of the sites inventory includes a dental clinic and trade school. The element must evaluate the extent this use would constitute an impediment to new residential development.

In addition, As noted on the prior HCD review if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the regional housing needs allocation (RHNA) for lower-income households, it must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).). 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 RHNA.

3. *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).)*

As noted on the prior HCD review, the element must include a program(s) with specific actions and timelines to assist in the development of housing for extremely low-, very low-, low-, and moderate-income households. While the element includes Program 5 (Collaboration with Housing Developers), the element includes statements like “consider” waiving planning, building and other fees for affordable housing units. And if “feasible” adopt priority processing for housing developments for lower income households. Programs containing unclear language (e.g., “Consider”; if “Feasible”; etc.) should be amended to include more specific and measurable actions.

4. *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).)

As noted in the prior review, the City must proactively make future revisions available to the public prior to submitting any revisions to HCD and diligently consider and address comments, including making revisions to the document where appropriate. HCD's future review will consider the extent to which the revised element documents were circulated and how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.

The element will meet statutory requirements of State Housing Element Law once it has been revised and re-adopted to comply with the above requirements.

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.

HCD appreciates the dedication of the City's housing element team during the review. We are 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 Fidel Herrera, of our staff, at Fidel.Herrera@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager