

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

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May 23, 2023

David Newell, Assistance Director
Department of Development Services – Planning
City of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

Dear David Newell:

RE: City of Palm Springs' 6th Cycle (2021-2029) Revised Draft Housing Element

Thank you for submitting the City of Palm Springs' (City) revised draft housing element that was received for review on March 28, 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.

The revised draft housing element addresses most statutory requirements described in HCD's January 14, 2022 review; however, additional revisions are necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq.), as follows:

1. *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).)*

Actions, Programs, Metrics, and Milestones: HCD's prior review found that the element must include programs that 1) are significant and meaningful 2) address fair housing issues 3) enhance housing mobility; increasing new housing choices and affordability in areas of opportunity and implement place-based strategies for community revitalization and conservation. Additionally, HCD found and provided specific feedback to revise several key programs with significant and meaningful metrics and geographic targeting along with implementation actions. HCD further clarified necessary revisions under separate cover to assist the City in meeting statutory requirements. In response, the City essentially re-designed the affirmatively furthering fair housing (AFFH) related programs – removing some programs and adding other programs - but still has not responded to HCD's prior findings. Therefore, HCD completed a new review of each program that has been identified for AFFH. Based on the programs identified in Table 3-33 and Program HS5.9 (Disadvantaged Communities), the element should be revised as follows:

- *Metrics and Geographic Targeting:* As found in HCD's prior reviews, to target significant and meaningful change, the element must include metrics or numerical objectives. Several programs still do not include quantifiable metrics. Additionally, programs that did include some metrics, did not include metrics that target meaningful outcomes. Programs should include metrics that target beneficial impacts for people, households, and neighborhoods. Additionally, the element should increase the quantifiable metric for affordability related to programs for housing opportunities and affordability in areas of relatively higher opportunity and place-based strategies toward community revitalization. Additionally, several programs still must include geographic targeting.
 - *New Housing Choices and Affordability in Areas of Relatively Higher Opportunity and Place-Based Strategies for Community Revitalization:* While the element included some programs to address these objectives, given the community need, history of the City and disparities in access to equitable communities, the element still should include additional actions to ensure that programs are significant in addressing these disparities.
2. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)*

Timelines: Several programs include implementation and completion dates that have since past. The element should update all programs to accurately reflect implementation timelines. This includes but is not limited to Programs HS1.5 (Small Lot Housing), HS1.7 (Inclusionary Housing), HS1.9 (Variety of Housing for All), HS2.4 (Housing Rehabilitation) and HS2.9 (Neighborhood Safety).

Program 5.4 (Housing for Disabled People): The element now includes the required actions to address HCD's prior reviews regarding group homes of seven or more. However, while the program commits to removing the use permit requirement, allowing these uses by-right in residential zones and similarly to other uses, the timeline states that the program will be implemented as projects are submitted. The element must be revised with a clear implementation timeline (e.g., end of 2024) for amending zoning and permit procedures.

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

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

Chapter 654, Statutes of 2022 (AB 2339), adds specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD's memo at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

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/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

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 must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while 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.

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.

David Newell, Assistance Director
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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 Sohab Mehmood, of our staff, at Sohab.mehmood@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