

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

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November 18, 2022

Received

Steven Rogers, Town Manager
Town of Yountville
6550 Yount Street
Yountville, CA 94599

NOV 21 2022

Town of Yountville

Dear Steven Rogers:

RE: Town of Yountville's 6th Cycle (2023-2031) Draft Housing Element (Update)

Thank you for submitting the Town of Yountville's (Town) revised draft housing element update received for review on August 22, 2022 along with revisions received on November 18, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on October 25, 2022 with you, Ken MacNab, and the Town's consultants, Jennifer Gastelum, Cynthia Walsh, and Nicole West. In addition, HCD considered comments from YIMBY Law and Greenbelt Alliance pursuant to Government Code section 65585, subdivision (c).

The draft housing element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code), 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... (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 to accommodate that portion of the city's or county's share of the regional housing need for each income level... (Gov. Code, § 65583, subd. (c)(1).)

Suitability of Nonvacant Sites: The element identifies two nonvacant sites to accommodate a portion of the lower-income regional housing needs allocation (RHNA). The analysis largely relies on the absence of any site constraints, owner interest and includes a program to engage with owners and developers on an ongoing basis. Site 1 includes a vegetable garden that serves the French Laundry restaurant and two existing employee housing units. As noted, the

element indicates that this site was included based on owner interest. However, it also states that the owner is interested and has previously submitted proposals to develop an Inn and provide off site units. Given that the owner has a desire to develop off site units, the element should provide an analysis that demonstrates how this specific site will be redeveloped to accommodate the RHNA or remove the site. In addition, Site 2 is owned by a church, includes grape vines, relies on owner interest and notes that the owner is "open to various possibilities." While having owner interest can be an important part of the determining redevelopment potential, given that the owners has not shown indication that they will move forward with residential development during the planning period, the element should either provide additional analysis and criteria to support the redevelopment potential of these sites or identify additional sites.

For your information, the housing element appears to rely on nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. Therefore, the housing element must demonstrate that the existing use is not an impediment to additional residential development 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.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the Town must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/housing-elements-hcd> for a copy of the form and instructions. The Town can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the Town must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Programs: As noted above, 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 Town 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:

Program 22 (Planning Regulation Amendments): The element notes that Accessory Dwelling Units (ADU) are not allowed in some zones that allow residential uses such as mixed-use zones and that the element will revise Program 22 to allow ADUs in all residential zones. However, Program 22 does not reflect that revision. The element must include an action to allow ADUs in all zones that allow for residential uses and comply with ADU law.

In addition, while Program 22 commits to allowing supportive housing as a permitted use in all zones that allow residential uses without discretionary review and complying with AB 2162 (Statutes of 2018), it must also commit to allowing transitional housing as a residential use and subject only to the same restrictions that apply to other residential dwellings of the same type in the same zone.

2. *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).)*

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. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

Land Use Controls: The element must include an analysis that evaluates the cumulative impacts of land use controls on the cost and supply of single family and multifamily development, including the ability to achieve maximum densities. Specifically, the element notes that several zones utilize a maximum floor area ratio (FAR) standard. However, it also notes that a project can reach the maximum FAR standard provided it does not exceed the maximum square footage requirements. For example, the RM zone allows for a maximum density of 10 units per acre and the RM-2 zone allows for 20 units per acre. For both zones, the maximum FAR for multifamily is 0.40 provided that the project does not exceed 4,000 square feet. The element must analyze this requirement as a potential constraint on achieving maximum densities. The element could clarify how projects can achieve maximum densities given the maximum square footage requirements. Additionally, because the Town includes similar requirements for most residential zones, the analysis should not be limited to just the RM and RM-2 Zone. Depending on the outcomes of a complete analysis, the element should include programs to address or remove the identified constraints.

Local Processing and Permit Procedures: While the element includes some information on permit processing timelines and procedures (pp. F-29-33), it must also analyze these procedures. For example, the element indicates that projects are generally subject to a minimum of five “meetings” including public

hearings and various other discretionary requirements. The element also notes that design review is required for any development (p. F-29). The analysis must address the required permits for typical single family and multifamily development, the approval body, the number of public hearing if any, approval findings and any other relevant information and add or modify programs to address identified constraints.

- *Multifamily Housing:* The element indicates that all multifamily is potentially reviewed through a discretionary process but does not indicate what type of discretionary process. For example, multifamily could be subject to a conditional use permit (CUP) For your information, subjecting multifamily housing to an exception process such as a CUP in zones where multifamily housing is already allowed is generally considered a constraint. As noted above, the element must clarify what type of discretionary process and identify and evaluate any approval findings or decision-making criteria for this requirement. The analysis should address impacts on housing cost, supply, timing and approval certainty. Based on a complete analysis, the element should include programs to address or remove the identified constraints
- *Design Review:* The element briefly describes the Town's design review requirements; however, the analysis should consider the approval timelines, approval procedures and decision-making criteria. The analysis should evaluate this process for potential constraints on housing supply, affordability, and timing. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate.
- *SB 330, 2019:* Additionally, given the Town's design review and preponderance of meetings in the permit process, the element should consider if the implementation of these standards conflict with the Housing Crisis Act of 2019 (SB 330, 2019).

Constraints on Housing for Persons with Disabilities: While the element includes general information on the Town's reasonable accommodation procedures (pp. F-20-21), it must also analyze these processes as potential constraints on housing for persons with disabilities. For example, the element notes that the Town charges a \$250 fee for processing reasonable accommodation requests. Imposing a fee on processing reasonable accommodate requests could be considered a constraint, especially on an individual. Additionally, the element has received public comments stating the cost of making retrofits or improvements is a barrier to housing for persons with disabilities (p. D-17). The element should analyze this requirement as a constraint on housing for persons with disabilities and add or modify programs as necessary.

3. *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).)*

The element includes some data and general discussion of housing challenges faced by extremely low-income (ELI) households including noting the availability of large units and proposed programs. However, the element should not just note or quantify the availability of resources but also provide an analysis of the existing resources to meet those needs and assess any gaps in resources. The element could include a discussion of any local and regional resources available for special needs populations. The element could also consult with local officials, special needs service providers, or city and county social and health service providers to assist in a complete analysis. Based on the outcomes of a complete analysis, the element should add or modify programs.

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).)*

Goals, Actions, Metrics, and Milestones: Goals and actions must significantly seek to overcome contributing factors to fair housing issues and foster inclusive communities. While the element includes some programs and metrics to potentially address fair housing issues, it generally does not appear to target any meaningful change, overcome fair housing issues and address affirmatively furthering fair housing (AFFH) requirements. In addition, since the that the Town is bifurcated between low resource areas east of State Route 29 and high resource areas north of Finnell Road, the element should include place-based strategies for community development, infrastructure and protecting residents, particularly low-income residents, from disaster-driven and investment-driven displacement, and enhancing housing mobility to encourage the development of more housing choices and affordable housing, particularly for farmworkers and persons with disabilities. Additionally, the element must include geographic targeting, metrics and milestones toward AFFH outcomes. For more information, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

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.

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 (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the RHNA pursuant to Government Code sections 65583,

subdivision (c) and 65583.2, subdivision (c), shall be completed no later than one year from the statutory deadline. Please be aware, if the Town fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until rezones to accommodate a shortfall of sites are completed.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the Town 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 Town meets 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 Town 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 hard work and dedication you and your team provided in the preparation of the Town's housing element. If you have any questions or need additional technical assistance, please contact Chelsea Lee, of our staff, at Chelsea.Lee@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager