Response and Revisions to Apple Valley's 6th Cycle (2021 -2029) Revised Draft Housing Element: AFFH Section Second HCD Comment Letter Dated December 13, 2021

AFFH Comments

Racially/Ethnically Concentrated Areas of Poverty and Affluence (R/ECAP): The element states that a R/ECAP does not exist; however, as noted in the element, the Town does have an area of High Segregation and Poverty according to TCAC/HCD Opportunity maps. As a result, the element should include a specific analysis of this area; addressing conditions and circumstances, trends, coincidence with other components of the assessment of fair housing (AFH) and the effectiveness of past and current strategies to promote inclusive communities and equitable. This analysis should be complemented by local data and knowledge and other relevant factors as described below.

RESPONSE: The following language has been added to page 5-6 of the AFFH analysis.

HUD defines Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) as census tracts with a non-White population over 50 percent and with 40 percent or three times the overall poverty rate. In the High Desert region, there is one R/ECAP located on the outskirts of the Cities of Victorville and Adelanto and one in the City of Barstow. There are no R/ECAPs located within Town boundaries. However, there is one area of "High Segregation and Poverty" centrally located in Town bounded by Corwin Road to the north and west, Dale Evans Road to the east, and Highway 18 to the south (Figure 8). This area is highly diverse (Figure 2), is considered an affordable location (Figure 6), and is in proximity to major commercial corridors (Highway 18 and Dale Evans Parkway) with access to transit (VVTA bus routes). However, this area (block group) has a higher percentage of the non-White population (Figure 10), higher percentage of female headed households with children (Figure 7), lower median incomes (Figure 4), and experiences higher rates of poverty (Figure 5) and overpayment (Figures 13 (Renters) and 14 (Owners)). This suggests that access to jobs may not be the dominant factor behind the concentration of lower income households, but rather the type of jobs and housing available and other socioeconomic factors. To address housing affordability, the Town has located eight RHNA sites within and immediately adjacent to the area of "High Segregation and Poverty" which will increase access to lower income housing options and help alleviate various economic hardships. Combined, these eight sites encompass 30.5 acres with the potential to add 607 lower income units.

Sites Inventory: The element generally states sites are identified throughout the community but generally does not include analysis to address this requirement. The analysis must identify whether sites improve or exacerbate conditions and whether sites are isolated by income group. A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that affects the existing patterns for all components of the assessment of fair Page 1 of 9

housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to promote equitable quality of life throughout the community (e.g., anti-displacement and place-based community revitalization strategies).

RESPONSE: The following language has been added to page 36 of the AFFH analysis.

d. Sites Inventory

The Town's Regional Housing Needs Assessment for 2022-2029 estimates that a total of 4,290 housing units will be built in Apple Valley (see Table 35). Of these, 1,686 units are allocated for extremely low-, very low-, and low-income households. As shown in Tables 43 and 45, the Town has identified enough sites to accommodate 2,748 housing units, which is 1,062 units more than the required RHNA for lower income units.

The Town reviewed the opportunity area map prepared by HCD and TCAC (Figures 8, 9, 11, 12) when selecting sites for affordable housing. The opportunity area map delineates areas across the state where research has shown there is support for positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. As previously discussed, the Town primarily consists of "Low Resource" or "Moderate Resource" areas, with only one area considered "High Resource." This made site selection more difficult when considering vacant land options in proximity to higher resource areas. Nonetheless, the Town was able to identify sufficient sites for the 2022-2029 cycle in areas identified as having a need for affordable housing based on patterns of segregation, poverty, low-income houses, displacement risk, access to opportunity, and local knowledge. Thus, the sites identified in the Land Inventory will not exacerbate any such fair housing related conditions.

Inventory lands are geographically distributed throughout the Town however they primarily serve the central and southeast-central portions of Town identified as having lower income households, higher rates of poverty, and disproportionate housing needs. As shown on Exhibit 11, these sites are generally located in areas of lower job proximity and economic opportunity scores; however, most of the sites are near major roadways such as Highway 18, Navajo Road, Bear Valley Road and Thunderbird Road that provide direct access to transit stops and are in proximity to commercial centers offering employment opportunities and access to personal services. These locations are also in the vicinity to a number of educational services including pre-schools, elementary through high schools, as well as adult schooling. The transit routes in these areas also circulate residents to many other schools, public services, healthcare facilities and commercial areas not in the immediate vicinity. The Town has also located eight RHNA sites within and immediately adjacent to the area of "High Segregation and Poverty" which will increase access to lower income housing options and help alleviate various economic hardships. Combined, these eight sites encompass 30.5 acres with the potential to add 607 lower income units and will improve the conditions for this portion of the population. Page 2 of 9

Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element should analyze historical land use, zoning, governmental and nongovernmental spending including transportation investments, demographic trends, historical patterns of segregation, or other information that may have impeded housing choices and mobility.

RESPONSE: The following language has been added to page 34 of the AFFH analysis.

Additional Local Knowledge

The Victor Valley region began to see sustained growth in the post-World War II era turning this sparsely settled stretch of desert land (present Apple Valley) into a western-themed town of 11,000 residents. In 1988, the Town of Apple Valley was incorporated with a population of approximately 41,000 and an area of 78 square miles. The region is not metropolitan, has a relatively short urban development history, and does not have a large African American population (e.g. 8.95% of total Town population in 2018) or cultural presence. Gradual buildout and economic growth were the driving factors for neighborhood development patterns in contrast to metropolitan areas where public policy, such as redlining, may have been a driving factor.

The Town's current development pattern consists primarily of lower density residential developments and several major corridors of commercial development. There are large areas of vacant land located primarily north Corwin Road and east of the I-15 freeway zoned for a mix of residential and non-residential uses. Although land availability isn't necessarily a constraint in the Town, availability of necessary infrastructure is, including water and sewer. The Town has managed to locate existing affordable housing sites in areas currently served by water and sewer, and in areas experiencing higher rates of segregation and poverty. The Town will benefit from future development of vacant lands because it will create job opportunities and increase housing options but this type of development and expansion will most likely be market driven and depend heavily on private developers.

Contributing Factors: The element should re-assess and prioritize contributing factors upon completion of analysis and make revisions as appropriate.

RESPONSE Noted. New/added analysis does not warrant a revision to existing contributing factors.

Goals, Actions, Metrics, and Milestones: The element must be revised to add or modify 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, metrics, and Page 3 of 9

milestones as appropriate and 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.

RESPONSE Noted. Majority of existing policies/programs currently meet this standard, and no revisions are required. Programs 1.B.1 through 1.B.6 specifically address fair housing issues, while others address housing opportunities for special populations and other actions that are relevant to the AFFH issues.

<u>Parcel Listing</u>: As noted in the prior review, parcels must be listed by affordability levels. In response, the element now labels all multifamily and mixed-uses zoned sites with lower and moderate-income affordability. However, sites identified for lower and moderate income should be separated in some manner based on the anticipated affordability of identified sites.

RESPONSE Email sent on January 4, 2022, but no response. We propose to change Tables 43, 44 and 45 to read: "Vacant Land Inventory For Lower Income Units..." The Element's analysis regarding affordability of market housing, on pages 33 and 34 demonstrate that moderate income households can find both rental and purchase housing in the unrestricted market in Apple Valley. Therefore, the inventory can be applied only to lower income units.

<u>Programs</u>: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning was not established. Based on the results of a complete sites inventory and analysis, the Town may need to add or revise programs.

RESPONSE Based on the change in Tables 43, 44 and 45, programs do not require amendment or addition.

<u>Land Use Controls</u>: The element now identifies multifamily parking requirements of 2 to 2.5 spaces per unit, including garage requirements, depending on the size of the development. The element should specifically evaluate these requirements for impacts on housing cost and supply, particularly for smaller bedroom types and add programs to address constraint.

RESPONSE The comment appears to address only the first part of the paragraph, and does reflect the analysis in the second part of the paragraph. Please see text highlighted in yellow for existing discussion regarding reductions in parking requirements, and additional text added in red to clarify that parking requirements are not a constraints.

The new standards also reduce parking requirements. For small projects, 2 garage spaces are required, plus one guest space, regardless of unit size; for medium projects, a total of 2.5 covered spaces in total are required, regardless of unit size; and for large projects, 2.25 parking spaces in total are required, regardless of unit size. In addition to the reductions in parking requirements made to the Multi-Family Residential zone, Development Code Section 9.72.040 allows flexibility

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in off-street parking requirements where reduced need is demonstrated. The Planning Commission may reduce parking requirements for senior citizen housing by up to 25% where the development is within close proximity of a shopping center or adequately serviced by a public transportation system. The number of required covered parking spaces may be reduced by up to 50% for developments meeting the needs of lower and moderate-income senior households. This reduction eliminates any potential constraint by requiring 1 to 1.25 parking spaces per unit for affordable housing projects. Parking requirements for market housing are consistent in the single family and multi-family zones. The Town's changes to the Development Code, which allows reductions of up to 50% for affordable housing projects, eliminates any potential constraint associated with costs for additional parking for affordable housing projects.

<u>Processing and Permit Procedures</u>: While the element now includes a program to remove the conditional use permit for larger multifamily developments, it must still evaluate findings for the Development Plan review and include programs as appropriate. Please see the prior review for additional information

RESPONSE The paragraph on page 61 relating to the removal of CUPs for large multi-family projects occurs immediately after the analysis of Development Permit review. The entire subsection is provided below, with the relevant Development Permit discussion highlighted in yellow, and clarifying language added in red.

Permit Processing

The Town includes its Development Code, including all development standards, and all fee schedules on the Town's website. Permit processing in Town is consistent for all land use districts. Permitted uses of any kind in any zone require approval of a site plan, which is generally processed in a period of 60 to 120 days, as are tentative tract maps for single-family homes.

Single-family homes on infill lots are not subject to any Planning Division review and require only a building permit. For new subdivisions, the Development Plan review and approval process consists of a review of development standards for consistency at the staff level, and review and approval by the Planning Commission. Per Zoning Code Section 9.17.080, the findings required to approve a project are consistent with those of all communities in California, and relate to General Plan and Zoning consistency, the physical ability of the site to accommodate the proposed project, and the California Environmental Quality Act, as follows:

A. That the location, size, design, density and intensity of the proposed development is consistent with the General Plan, the purpose of this Code, the purpose of the zoning district in which the site is located, and the development policies and standards of the Town;

B. That the location, size and design of the proposed structures and improvements are compatible with the site's natural landforms, surrounding sites, structures and streetscapes, and does not unnecessarily block public views from other buildings or from public ways, or visually dominate its surroundings;

C. That the materials, textures and details of the proposed construction, to the Page 5 of 9

extent feasible, are compatible with the adjacent and neighboring structures, and that quality in architectural design is maintained in order to enhance the visual environmental of the Town;

D. That the amount, location, and design of open space and landscaping conforms to the requirements of this Code, enhances the visual appeal and is compatible with the design and function of the structure(s), site and surrounding area;

E. That excessive and unsightly grading of hillsides does not occur, and the character of natural landforms such as knolls and the Mojave River and existing vegetation and Joshua Trees are adequately protected and preserved where feasible as required by this Code.

Single-family homes do not require discretionary review, and are processed through the Building Department, unless part of a master planned community. Should a Conditional Use Permit be required for any reason, it is processed concurrently with the site plan review, and does not extend the permit processing timeline. The Town always provides expedited permit processing, and even when required to process a General Plan Amendment and Zone Change, can process applications in less than six months. The Town's permit processing, therefore, does not represent a constraint on development.

For Multi-Family development projects with 1 to 15 units, administrative review is completed through the plan check process and no additional entitlements are required. Projects with 16 to 50 units require Planning Commission review and approval of a Development Permit. The same findings listed above for single-family development, requiring a Development Permit, is required for the Planning Commission approval of a Development Permit. Projects that include more than 50 units requires a Conditional Use Permit reviewed and approved by the Planning Commission. In order to facilitate the development of larger projects, the Development Code will be amended to require only a Development Permit for larger projects consistent with the 16-50 unit category (please see Program 1.1.2). As described above, the Development Permit process is a review of development standards for conformance, and the Findings for Development Permits are consistent with those applied across California for site plan reviews. The change imposed by Program 1.1.2 will eliminate the constraint of permit processing associated with multifamily development.

<u>Housing for Persons with Disabilities</u>: While the element now provides that the Development Code be amended to allow group homes of seven or more as a permitted use, it must still identify and analyze any definition of family and include a program as appropriate.

RESPONSE The following text will be added to the "Zoning for a Variety of Housing Types" section, immediately following Low Barrier Navigation Centers.

• Definition of family: The Development Code defines "family" as "One (1) or more individuals occupying a dwelling unit as a single household unit." This definition does not impose a maximum number of persons in a family, or their relationship,

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or any other limitation that would pose a constraint to the housing of disabled persons.

The element must include programs for elderly and persons with disabilities. However, the element should consider all special needs groups and programs should be revised with proactive outreach including more specific timelines (e.g., annual) instead of "as proposed".

RESPONSE Programs have been amended as follows:

Program 1.C.2

Process requests for the establishment of State licensed residential care facilities, in accordance with Section 1566.3 of the Health and Safety Code, as a means of providing long-term transitional housing for very low income, disabled and homeless persons.

Responsible Agency: Community Development Department

Schedule: Annually meet with residential care providers active in Apple Valley; and Staff review as development proposals are brought forward

Program 1.C.8

Participate in regional, state and federal programs which assist very low, low and moderate income households, disabled and senior households in buying their own home, and provide information at Town Hall on these programs.

Responsible Agency: Community Development Department

Schedule: Annual participation in Consortium activities. Maintain all assistance programs on Town website.

Program 1.H.4

The Community Development Department shall maintain a brochure which describes the improvements eligible for the Residential Rehabilitation Loan Program, including energy conservation measures, and shall distribute the brochure at Town Hall, the Community Center, the Senior Center, the Library, churches and other sites where they can be available to the community at large.

Responsible Agency: Community Development Department and Building and Safety Department

Schedule: Annually update the brochure; restock as needed throughout the year.

Program 1.I.1

The Town shall encourage the development of Homeless Shelters, Transitional Housing and Single Room Occupancy by complying with Government Code Section 65583, which requires these uses to be identified in the Development Code. Application fee waivers shall also be given to these projects proposed in the Town. In addition, those that apply for reasonable accommodations shall also be given fee waivers.

Responsible Agency: Community Development Department

Schedule: Create website information and post by end of 2022. Meet with NGOs Page 7 of 9

annually to publicize the program. Staff review as proposals are brought forward

Program 3.A.1

Enforce the handicapped accessibility requirements of Federal fair housing law that apply to all new multi-family residential projects containing four (4) or more units. **Responsible Agency**: Department of Building and Safety **Schedule:** Through regular Code Compliance inspections throughout the year; and Staff

review as development proposals are brought forward

The element must include quantified objectives to establish an estimate of housing units by income category, including extremely low-income households, that can be constructed, rehabilitated, and conserved over the planning period.

RESPONSE Quantified objectives have been included in first and second drafts of the element on page 67, as reproduced below. There are no units to be conserved based on the element's analysis, but new construction and rehabilitation units are provided.

Quantified Objectives

The following table estimates the number of units likely to be constructed, rehabilitated, or conserved/preserved, by income level, in Apple Valley during the 2022-2029 planning period.

	New Construction	Rehabilitation	Conservation
Extremely Low Income	543		
Very Low Income	543	60	
Low Income	600	100	
Moderate Income	747		
High	1,857		
Total:	4,290	160	

Table 1Quantified Objectives, 2022-2029

As noted in the prior review, HCD encouraged the Town to consider comments from High Desert Intersections Collaborative. In response, the revised draft notes some programs were modified and most recommendations were already in place. However, neither modifications nor recommendations already in place are apparent in the revised housing element. HCD again encourages the Town to consider these comments and make revisions where appropriate.

In addition, as a reminder, the availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The Town must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and

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address comments, including revising the document where appropriate. HCD's future review will consider the extent to which the revised element documents were circulated and how the Town solicited, considered, and addressed public comments in the element. The Town's consideration of public comments must not be limited by HCD's findings in this review letter.

RESPONSE The text referencing the Collaborative has been amended below. The Town will continue to provide the Element for review to the public, including posting it for public comment prior to the Planning Commission and Town Council hearings, as provided below.

The High Desert Intersections Collaborative provided written comments to the Town in the form of policy recommendations. The Town reviewed these recommendations and modified some programs to reflect their recommendations. Most of the recommendations were already in place as policies and programs, including the Town's existing Mixed Use zone, which already has a minimum requirement set for commercial uses; and developer incentives, including reductions in development standards for affordable multi-family projects, fee waivers, and those already provided in Programs 1C.1 and 1.E.5. Some of their suggestions did not apply to the Town, and some were not appropriate, including the deferral of property maintenance and repair for NGOs who purchase affordable housing projects, because this policy would result in sub-standard living conditions for low income households; the Town does not require renter permits from anyone, including NGOs; their recommendation that Crime Free Multi-Family Housing Programs be eliminated on the basis that it "keeps people away from multi-family housing" is not based in fact, and the Program has proven effective in lowering crime in multi-family projects in Town.

The Town posted its second draft Housing Element on the Town's website prior to resubmittal to HCD, and notified all workshop attendees of its availability for comment from September 29 to October 13, 2021. In addition, the Town announced the comment period on its social media. No additional comments were received. The Town posted the draft Housing Element for public comment again for 10 days prior to Planning Commission hearing, and continuously until the Town Council hearing, 30 days later.