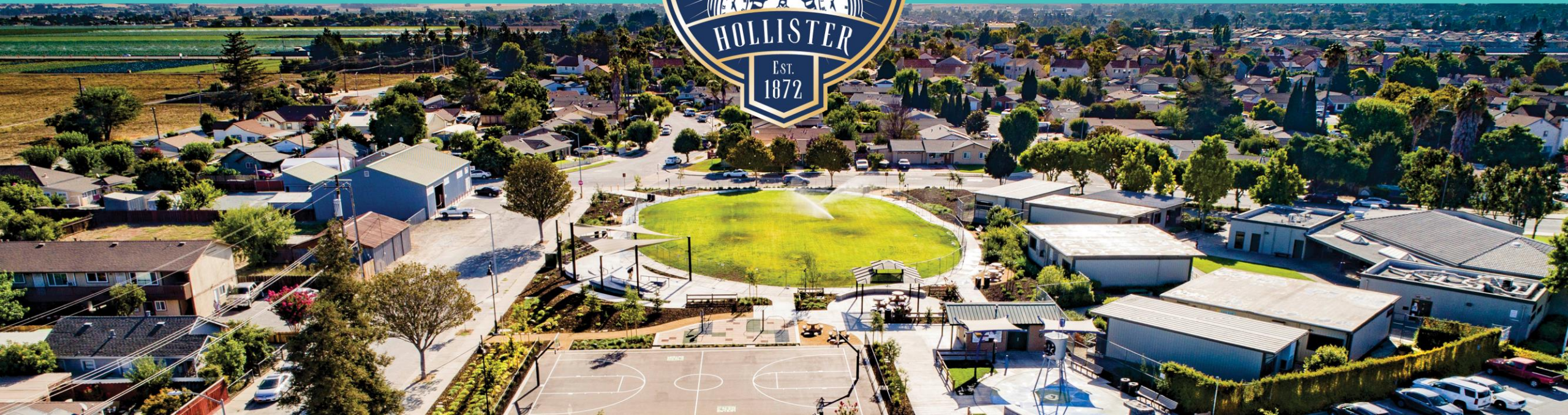
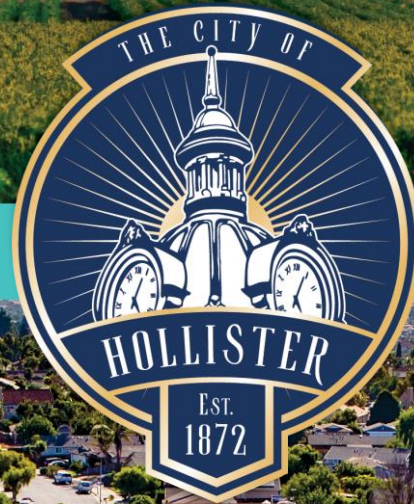


# CITY OF HOLLISTER

## Housing Element Update

Planning Commission Public Hearing

March 26, 2026 6:00PM



An aerial architectural rendering of a modern housing development. The central courtyard features a basketball court, a colorful playground with slides and climbing equipment, and a circular area with a fountain. Surrounding the courtyard are several multi-story apartment buildings with balconies. A large green lawn is visible in the upper left, and a parking lot with several cars is on the right. The entire scene is overlaid with a semi-transparent blue filter.

# Housing Element Overview



# What is a Housing Element?



Required Chapter of the City's General Plan



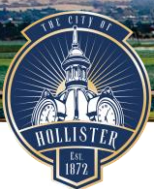
Identifies projected housing needs by income category



Provides goals, policies, programs, and quantified objectives to address current needs and guide future housing growth for all income levels



Requires timely certification by the Department of Housing and Community Development (HCD) for compliance with State laws



# Why are Housing Elements Updated?

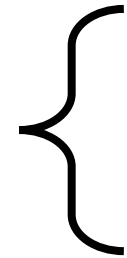
- Ensures the Housing Element is compliant with State housing laws
- Establishes a plan for meeting the housing needs of all income levels
- Demonstrates the City's ability to meet current and future housing growth needs
- Engages the community in the planning process





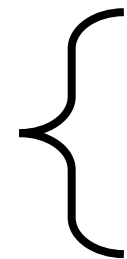
# Housing Element Certification

What is a  
“Certified”  
Housing  
Element?



- Reviewed and certified by the Department of Housing and Community Development (HCD)
- Demonstrates compliance with State law

Benefits of  
Certification



- Provides access to State grants and alternative funding sources
- Protects City from penalties



# Consequences for Non-Certified Housing Element

- 1. Limits access to State Funding.** Many state funding programs for housing and community development related items are contingent upon having a certified Housing Element such as CDBG and infrastructure funding sources.
- 2. Lawsuits.** If a jurisdiction is non-compliant, HCD, the Attorney General, or housing advocacy groups may bring legal action. Potential outcomes include:
  - Mandatory court-ordered compliance
  - Monetary penalties (up to \$10,000/month in some circumstances)
  - Suspension of certain local land use and zoning authority
  - Court approval of housing developments



# Consequences for Non-Certified Housing Element

- 3. Loss of Local Zoning Control.** Without a certified Housing Element, the City may lose control over housing approvals. Under the “Builder’s Remedy,” qualifying affordable housing projects may proceed even if they conflict with local zoning. Courts may also suspend local permitting authority or impose penalties until compliance is achieved.

Adopting a compliant Housing Element does not guarantee development, but failing to do so guarantees less local control over development.



# Housing Element Key Features

- Housing needs assessment
- Evaluation of constraints and resources for housing development
- Affirmatively Furthering Fair Housing (AFFH) analysis
- Identification of sites to accommodate the City's RHNA
- Evaluation of 5<sup>th</sup> Cycle Housing Element programs and policies
- Policies, programs, and quantified objectives to achieve the City's identified housing goals

An aerial architectural rendering of a modern residential development. The central courtyard features a large green sports field, a multi-level playground with colorful equipment, and a paved basketball court. Several modern, single-story houses with flat roofs are arranged around the courtyard. A parking lot with several cars is visible on the right side. The entire scene is overlaid with a semi-transparent blue filter.

# Regional Housing Needs Allocation (RHNA)



# What is the Regional Housing Needs Allocation (RHNA)?

- Statewide determination of units is split into regional allocations
- Initiates the Housing Element Update process
- Quantifies housing needs, by income category, within each jurisdiction in California
- Based on future growth in population, employment and households



# How is RHNA Determined?

**Department of  
Housing and  
Community  
Development**

*HCD determines and distributes the State's housing need to all the regional councils of government*



**San Benito Council  
of Governments  
(SBCOG)**

*SBCOG develops methodology to determine "fair share" distribution of the region's housing need to local jurisdictions*



**City of Hollister  
RHNA**

**2023-2031**

**4,163 units**



# RHNA Income Categories

Income Category	% of Area Median Income (AMI)	Income Range*		RHNA (Housing Units)
		Minimum	Maximum	
Extremely Low Income	0 – 30%	--	\$40,100	423
Very Low Income	31 – 50%	\$40,101	\$66,800	423
Low Income	51 – 80%	\$66,801	\$106,950	678
Moderate Income	81 – 120%	\$106,951	\$168,250	826
Above Moderate Income	>120%	\$168,251	--	1,813
<b>TOTAL:</b>				<b>4,163 units</b>

\*Income range is based on the 2025 HUD Area Median Income (AMI) for San Benito County of \$140,200 for a family of 4.

\*Approximately 40% of all households in Hollister fall into the Extremely Low to Low-Income categories



# 5<sup>th</sup> Cycle vs. 6<sup>th</sup> Cycle RHNA

Income Category	5 <sup>th</sup> Cycle RHNA (Housing Units)	6 <sup>th</sup> Cycle RHNA (Housing Units)	Unit Difference	Percent Change
Extremely Low/Very Low Income	312	846	+534	171%
Low Income	189	678	+439	259%
Moderate Income	258	826	+568	189%
Above Moderate Income	557	1,813	+1,256	225%
<b>Total:</b>	<b>1,316 units</b>	<b>4,163 units</b>	<b>+2,847 units</b>	<b>216%</b>

Note: All jurisdictions within California has had changes in their RHNA since the 5<sup>th</sup> Cycle. For example, the City of Santa Cruz had a 400% RHNA increase since the 5<sup>th</sup> Cycle.

An aerial photograph of a community center complex. The facility includes a large green lawn in the upper left, a multi-colored playground with slides and climbing structures in the center, a basketball court with a blue and yellow floor, and a parking lot on the right side. Several buildings with grey roofs are scattered throughout the site. The entire image is overlaid with a semi-transparent dark blue filter.

# Housing Element Efforts to Date



# Project Milestones

- **April 2023** – Project Kicked Off
- **January 2024** – 1st Public Review Draft Published
- **March 2024** – 1st Submittal to HCD
- **May 2024** – Interim Submittal
- **June 2024** – HCD Comments Received
- **December 2024** – 1st Resubmittal to HCD
- **January 2025** – HCD Comments Received
- **December 2025** – 2nd Resubmittal to HCD
- **February 2026** – Interim Submittal
- **February 2026** – **Statutory Compliance Letter Received**

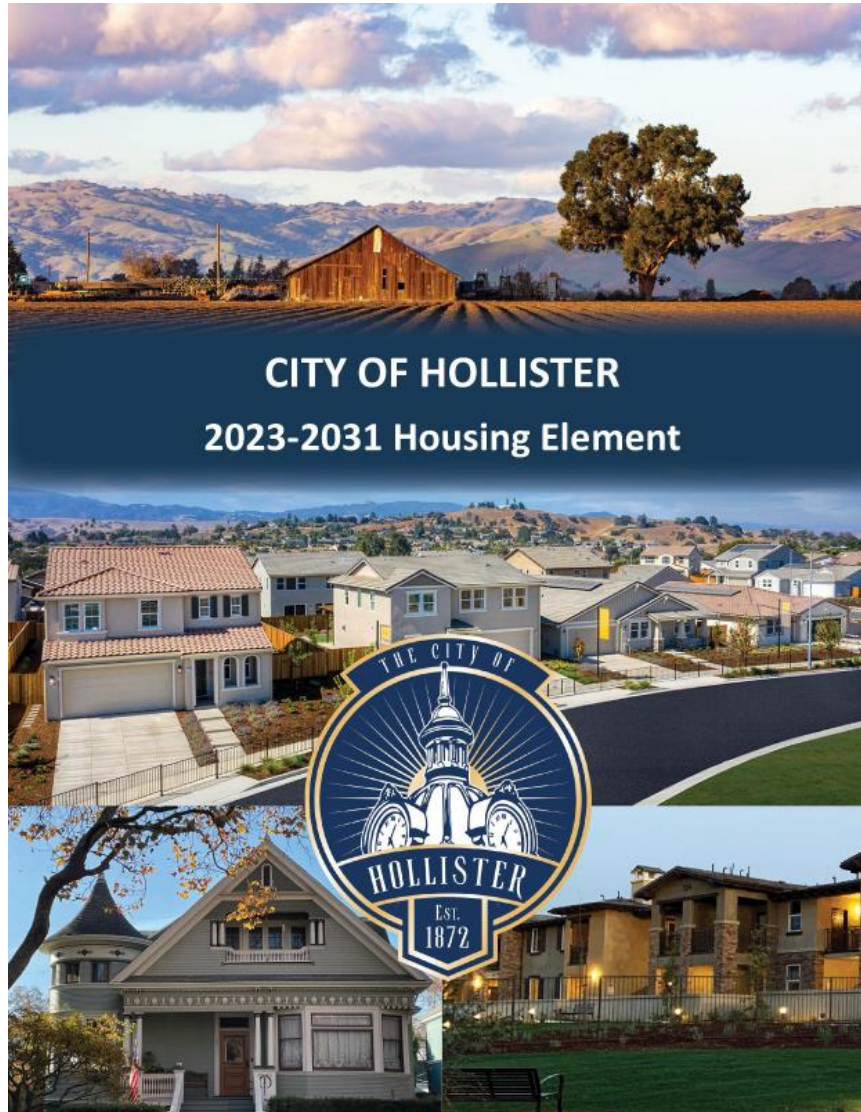


# Community Engagement

- **April 2023** – Project Kicked Off
- **May 2023** – Community Workshop #1
- **May 2023 to December 2023** – Community Survey
- **December 2023** – Joint Planning Commission/City Council Study Session #1
- **January 2024** – 30-Day Public Review Period
- **February 2024** – Joint Planning Commission/City Council Study Session #2
- **February 2024** – Community Workshop #2
- **May 2024** – Public Review Period
- **November to December 2024** – Public Review Period
- **November to December 2025** – Public Review Period
- **January to February 2026** – Public Review Period

An aerial photograph of a community center or housing element organization. The facility includes a large green lawn, a basketball court, a playground with colorful equipment, and several buildings. A parking lot with several cars is visible on the right side. The text "Housing Element Organization" is overlaid in white on the center of the image.

# Housing Element Organization



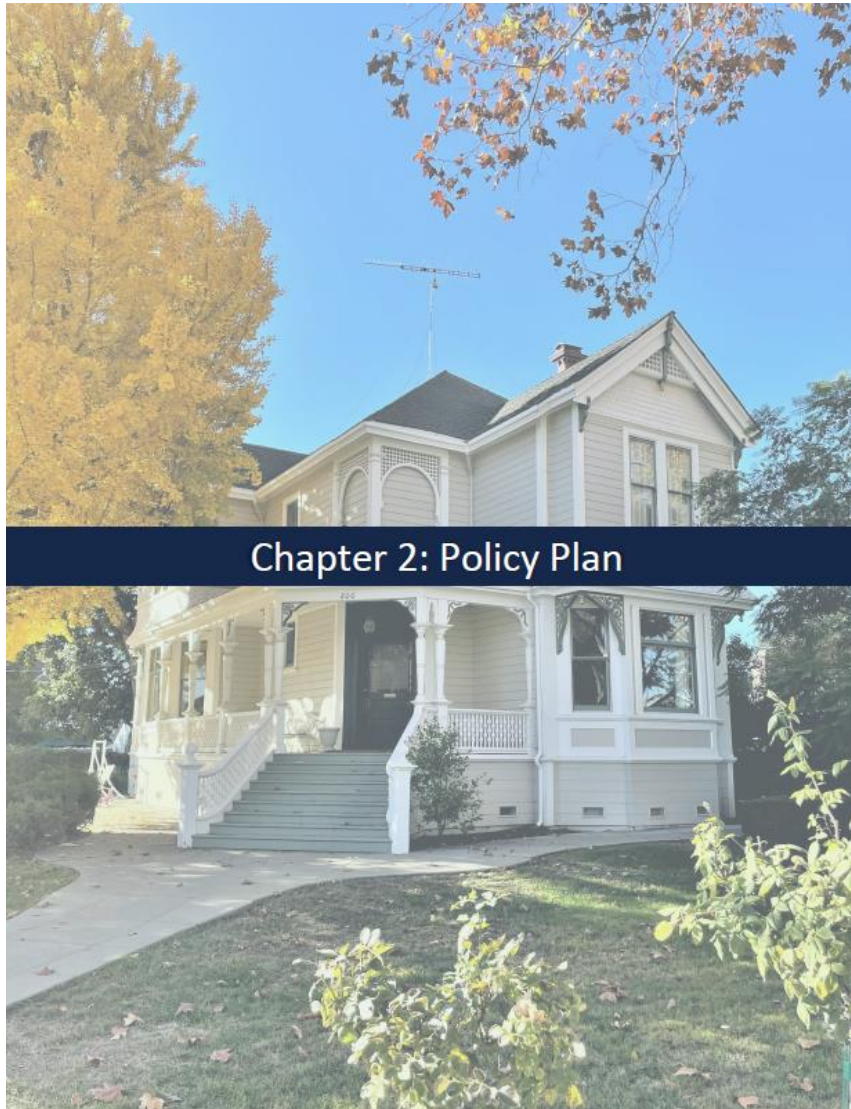
# Housing Element Organization

- **Chapter 1: Introduction**
- **Chapter 2: Housing Plan**
- **Appendices** – The Appendices provide content and analysis as required by state law, including the following:
  - **Appendix A:** Review of Past Performance
  - **Appendix B:** Housing Needs Assessment
  - **Appendix C:** Housing Constraints
  - **Appendix D:** Housing Resources
  - **Appendix E:** Affirmatively Furthering Fair Housing
  - **Appendix F:** Candidate Sites Analysis
  - **Appendix G:** Community Engagement
  - **Appendix H:** Glossary of Terms



## Affirmatively Further Fair Housing (AFFH)

- **AFFH** is defined as, “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics”. (Gov. Code, § 8899.50, subd. (a)(1).)
- Specifically, these meaningful actions must aim to accomplish the following:
  - Address significant disparities in housing needs and in access to opportunity;
  - Aim to establish truly integrated and balanced living patterns;



Chapter 2: Policy Plan

# Policy Plan

- The **Policy Plan** establishes policies, programs, and quantified objectives to achieve the City’s identified housing goals.
- The City has established five broad goals for the 6th Cycle Planning Period (2023-2031):
  - Goal 1: Work together to build a sense of community and achieve housing goals.
  - Goal 2: Maintain and enhance existing neighborhoods and blend well designed new housing into neighborhoods and communities.
  - Goal 3: Use land efficiently to encourage a diversity of housing types and to implement “smart” and sustainability development principles.
  - Goal 4: Develop affordable housing opportunities.
  - Goal 5: Provide housing for special needs populations.



# Policy Plan

- The Policy Plan takes into consideration community feedback and all local, State, and Federal laws.
- It establishes goals and policies including:
  - Fair Housing Programs and goals
  - Housing opportunity for all incomes
  - Affordable housing access
  - Transitional supportive housing services
  - Housing for Special needs groups





# What do Housing Element Programs do?

## Reflect the following:

Community input and feedback

The results and analysis of the jurisdiction's local housing needs

Available land and financial resources

The mitigation of identified constraints

## Include the following:

Specific actions

Timeframe and funding for implementation

The agencies or officials responsible for implementation

Identification of funding sources



## Sample Housing Policy – Policy Action H5.3: Reasonable Accommodation

In compliance with Government Code Section 65583, the City shall provide reasonable accommodations for persons with disabilities. To ensure reasonable accommodation procedures are consistent with state law, the City will review the conditions of approval for reasonable accommodation and revise them where appropriate to ensure compliance with fair housing laws. The City will also review the conditions of approval to remove any subjective decision-making criteria.

### Actions:

- Maintain updated information on reasonable accommodations on the City’s website.
- Biennially review and update applicable procedures and/or requirements to remove potential constraints.
- Provide information on housing resources available to persons with disabilities to local groups or organizations serving the needs of persons with disabilities.

### Geographic Target: Citywide

**Timeframe:** Adopt amendments by June 2026.

**Responsible Agency:** Planning Division

**Funding Source:** General Fund

An aerial architectural rendering of a school campus. The scene includes a large green sports field in the upper left, a central playground with colorful equipment, a basketball court, and several school buildings. A parking lot with several cars is visible on the right. The entire image is overlaid with a semi-transparent blue filter. The text "Sites Selection" is centered in white.

# Sites Selection



# Candidate Sites Analysis

- The City is not required to develop housing, but it is required to demonstrate there is sufficient capacity to accommodate the 6th Cycle RHNA
- Sites should be near community resources and services, public transportation, and have existing or potential access to utilities
- Affordability Assumptions
  - Zoning must accommodate 20 dwelling units per acre to be considered for lower income units
- Affirmatively Further Fair Housing
  - Sites accommodating lower income units must be equitably spread out throughout the community
  - The Housing Element reviews the City's existing zoning ability to accommodate housing development for special housing needs groups





# Sites Strategy

- The Sites Analysis determined that the City could not accommodate its RHNA through its existing zoned capacity and rezones were required to accommodate affordable units throughout the City.
- Sites were selected using various criteria, including:
  - Parcel size and characteristics
  - Vacancy
  - Existing zoning/land use designation
  - Access to community resources and services
  - Community Input
  - Planning Commission and City Council Input
- Most of the City's lower-income need is planned to be accommodated in the rezone areas.
- The City's moderate and above moderate need is planned to be strategically accommodated throughout the City.



# Candidate Sites Analysis

	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total
<b>RHNA</b>	846	678	826	1,813	4,163
<b>Existing Capacity</b>					
Projected ADU Construction	100		50	17	167
Pipeline Projects	175		5	1,555	1,735
Residential Zones	67		52	87	206
Mixed-Use Zones	47		29	137	213
<b>Total Capacity</b>	<b>389</b>		<b>136</b>	<b>1,796</b>	<b>2,321</b>
<b>Remaining Need</b>	<b>1,135</b>		<b>690</b>	<b>17</b>	<b>1,842</b>
<b>Rezone Strategies</b>					
Downtown Mixed-Use	154		151	450	755
High Density Residential	657		407	1,202	2,266
Mixed-Use	236		239	707	1,182
West Gateway Mixed-Use	173		177	521	871
North Gateway Mixed-Use	193		198	578	969
<b>Total Rezone</b>	<b>1,413</b>		<b>1,172</b>	<b>3,458</b>	<b>6,043</b>
<b>Total Development Capacity</b>	<b>1,914</b>		<b>1,048</b>	<b>5,402</b>	<b>8,364</b>
<b>Surplus Units Over RHNA</b>	<b>278</b>		<b>482</b>	<b>3,441</b>	<b>4,201</b>
<b>Surplus % Over RHNA</b>	<b>18.2%</b>		<b>58.4%</b>	<b>189.8%</b>	<b>100.9%</b>

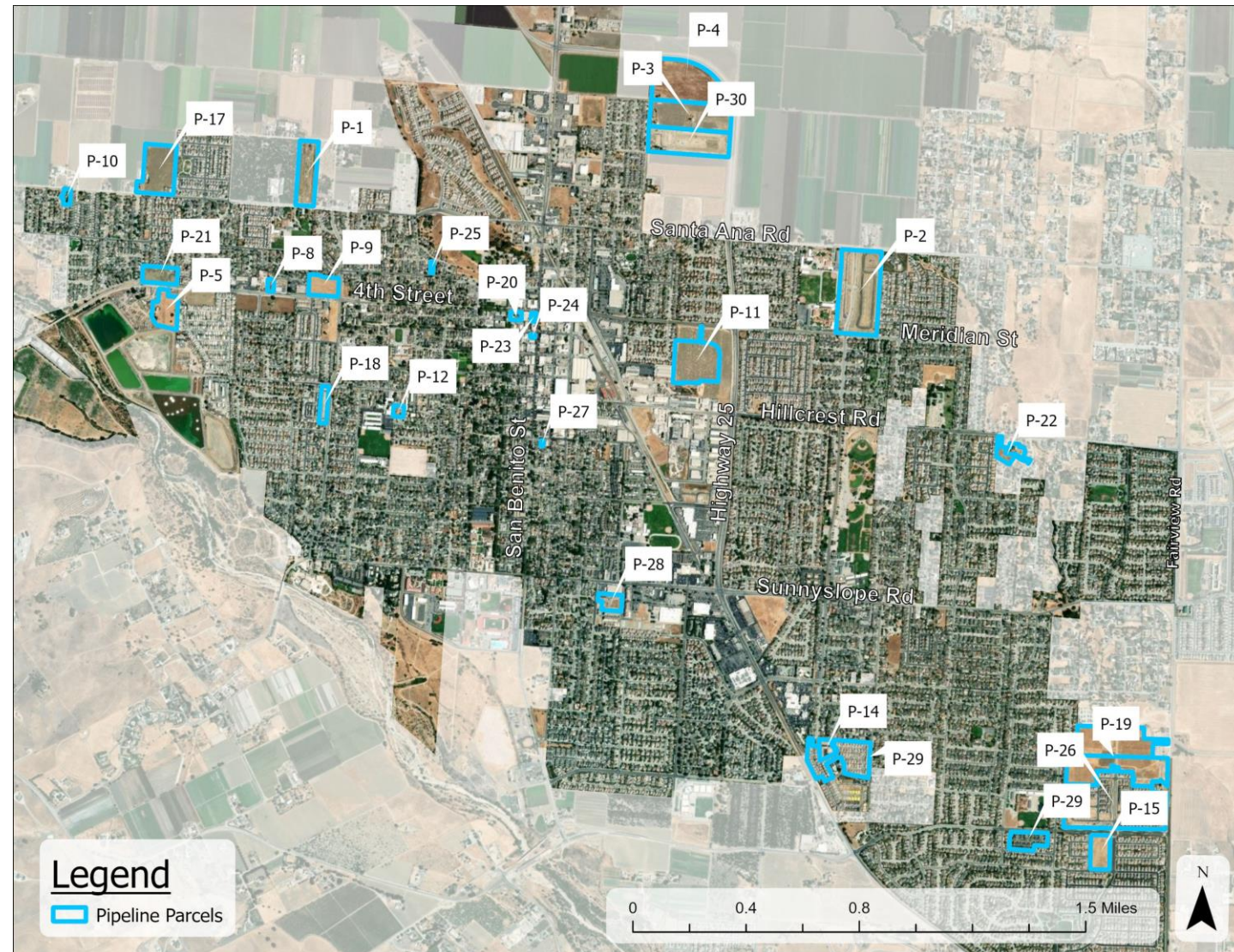
*Lower-income buffer will be preserved via conservative capacity factors and by carrying surplus sites pursuant to No-Net-Loss requirements.*



# Existing Capacity

## Existing Capacity

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Projected ADU Construction	100		50	17	167
Pipeline Projects	175		5	1,555	1,735
Residential Zones	67		52	87	206
Mixed-Use Zones	47		29	137	213
<b>Total Existing Capacity</b>	<b>389</b>		<b>136</b>	<b>1,796</b>	<b>2,321</b>

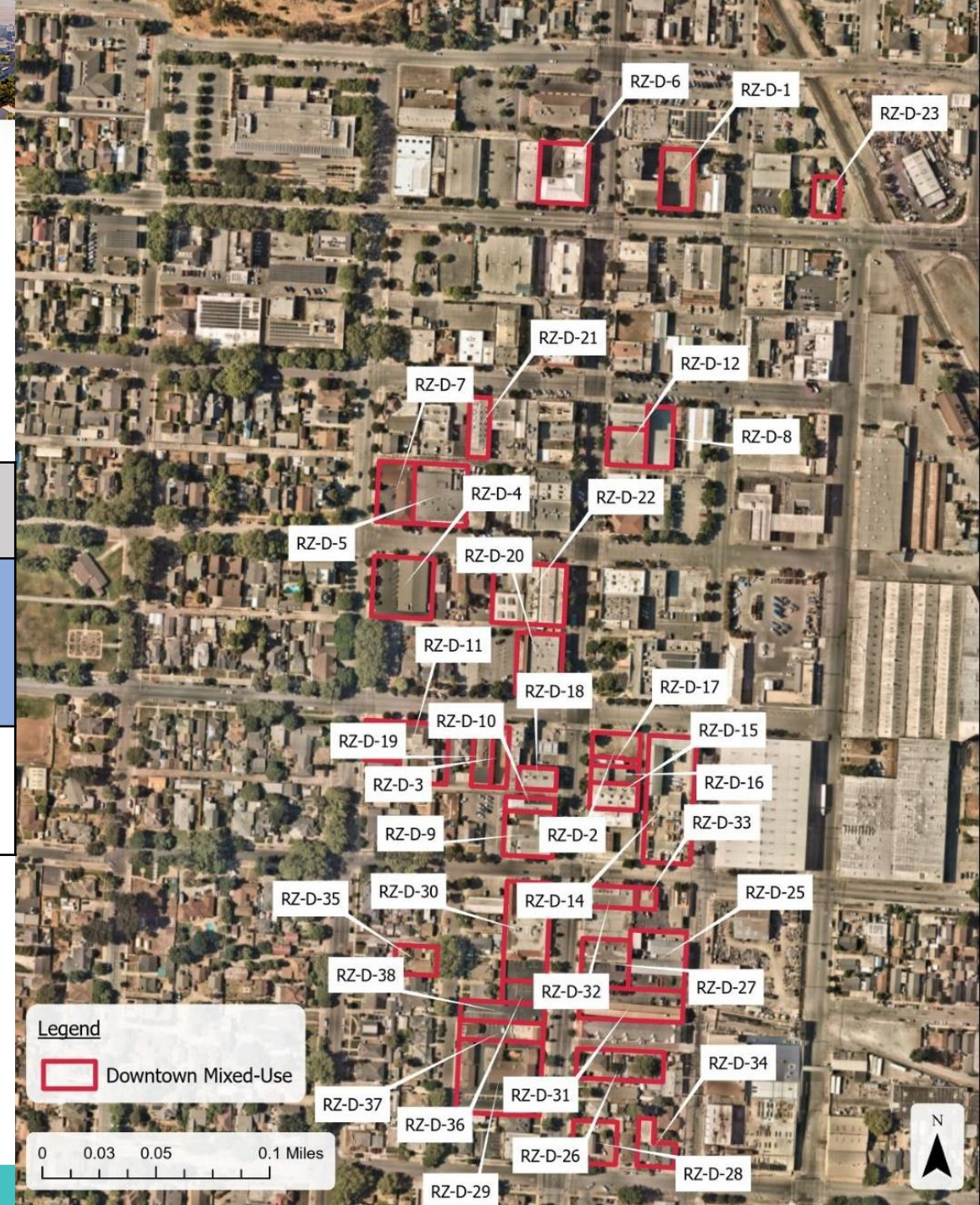




# Downtown Mixed-Use Rezoning (30-125 DU/AC)

## Rezone Strategies

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Downtown Mixed-Use Rezones	154	151	450		755

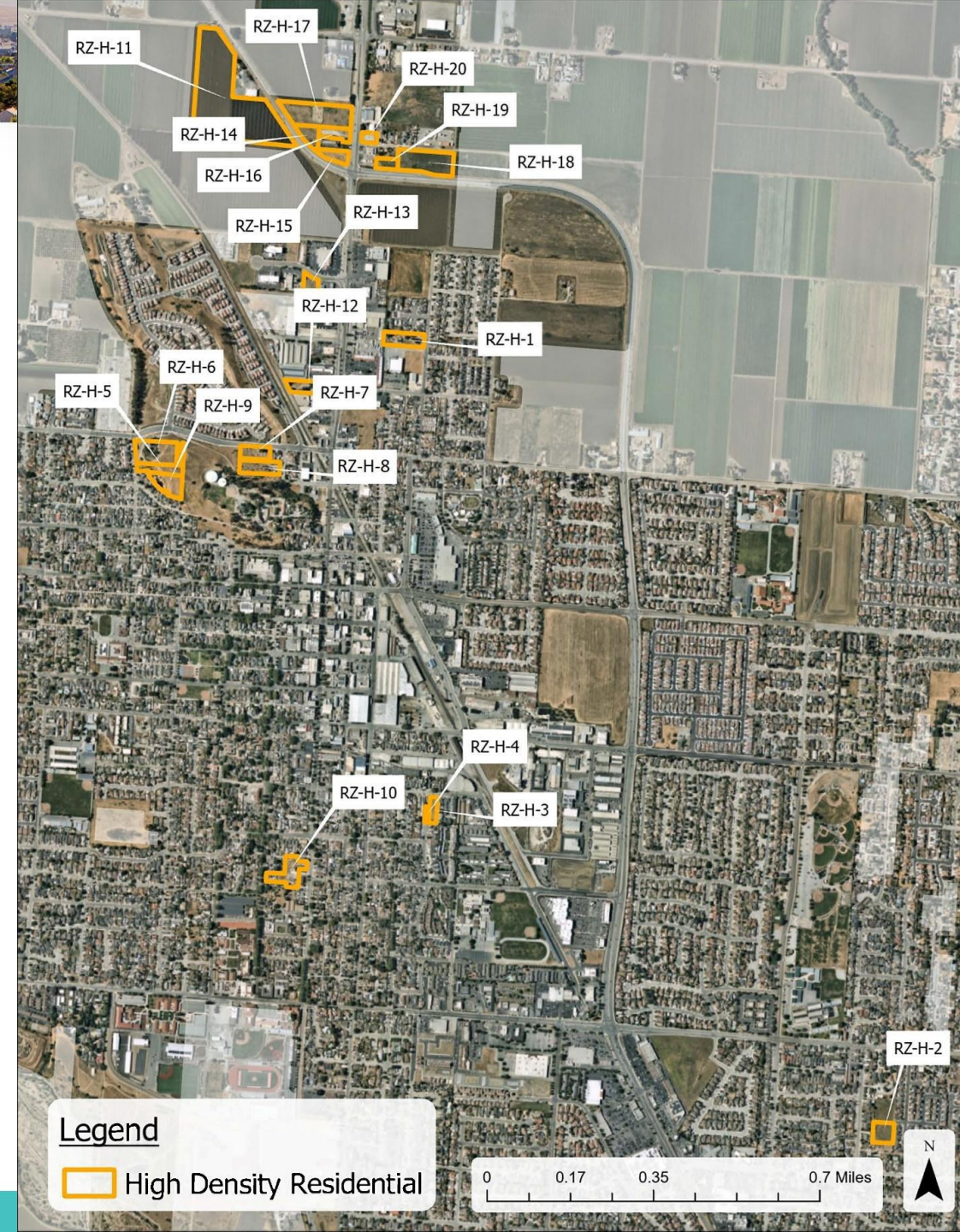




# High Density Residential Rezoning (30-65 DU/AC)

## Rezone Strategies

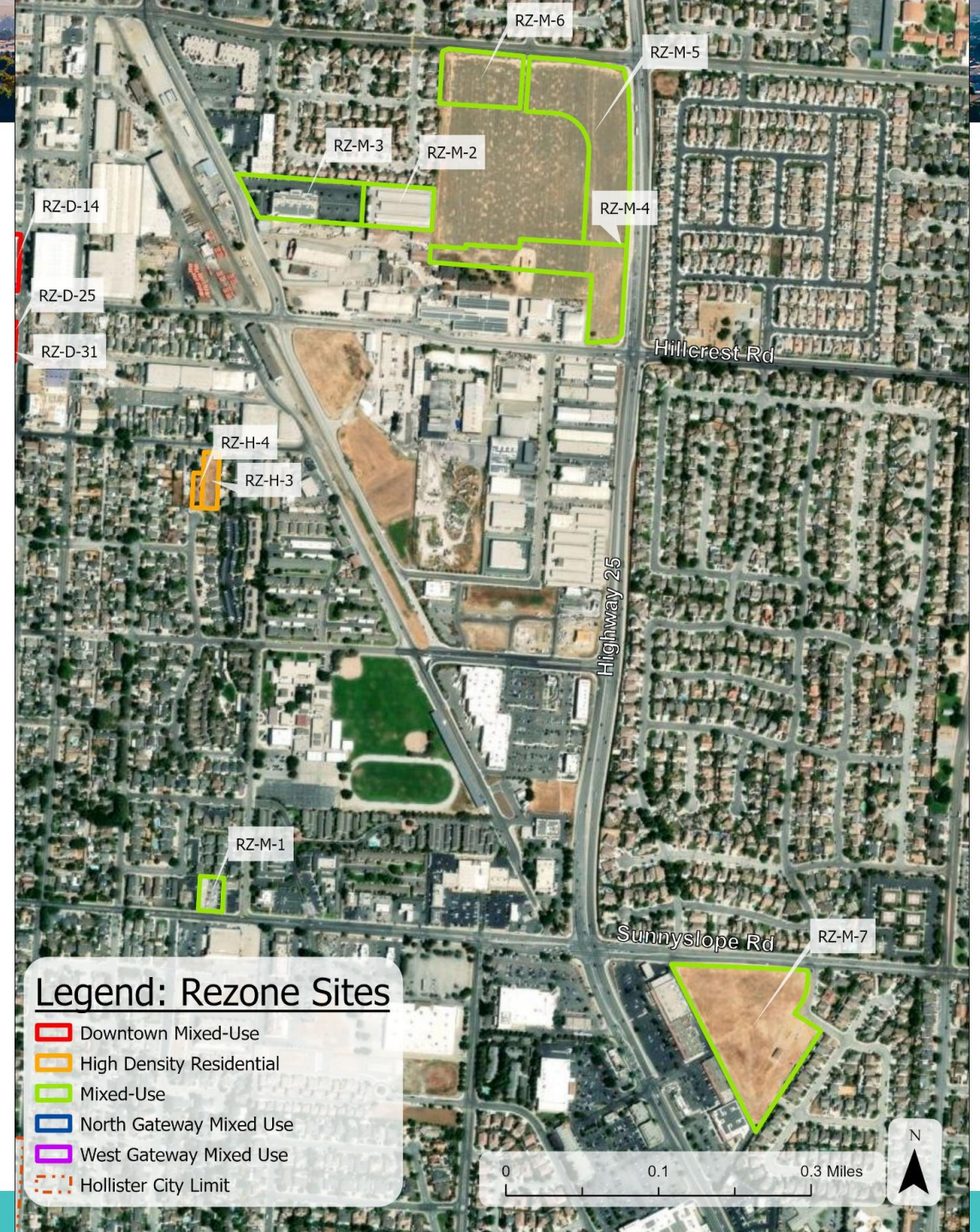
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
High Density Residential Rezoning	657	407	1,202		2,266





# Mixed-Use Rezones (30-65 DU/AC)

Rezone Strategies					
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Mixed-Use Rezones	236	239	707	1,182	





# West Gateway Rezone (30-65 DU/AC)

Rezone Strategies					
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
West Gateway	173	177	521	871	





# North Gateway Rezone (30-65 DU/AC)

Rezone Strategies					
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
North Gateway	193		198	578	969



An aerial architectural rendering of a school playground. The scene includes a large green soccer field in the upper left, a basketball court in the center, and a colorful play area with various structures in the lower right. There are several buildings, a parking lot with cars, and trees scattered throughout the site. The text "Next Steps" is overlaid in the center.

# Next Steps



# Next Steps

- On February 12, 2026, HCD found that the City’s 6th Cycle Housing Element “**meets the statutory requirements**” of State Housing Element Law (Gov. Code, § 65580 et seq).
- However, the Housing Element cannot be certified until the City completes rezones to accommodate the City’s RHNA pursuant to Government Code section 65583.2, subdivisions (h) and (i).
- The **Housing Element will be certified when it is adopted, rezones have been adopted**, and they’re submitted to and approved by HCD, in accordance with Government Code section 65585.



# Tentative Timeline

**Substantial  
Compliance Letter  
Received**  
February 13, 2026

**City Council  
Public Hearing**  
April 20, 2026

**Housing Element  
Certification (60 Days  
from Date of Submittal)**  
Late June - Early

**Planning  
Commission  
Public Hearing**  
March 26, 2026

  
**We are here!**

**Final Submittal  
to HCD**  
Late April –  
Early May 2026

**Housing Element  
Program  
Implementation**  
2023-2031



# Recommendation

- Staff recommends that the Planning Commission adopt a resolution recommending approval of the 6<sup>th</sup> Cycle Housing Element to the City Council