Honorable Mayor and Members of the Town Council,

I want to provide you with an update on the Housing Element and our on-going discussions with State HCD. As you are aware, you continued consideration of the Housing Element at your January 10, 2024 meeting to January 24, 2024. At your January 10 meeting I reported that we were scheduled to meet with our HCD reviewer the following day to go over the changes they wanted.

Most of the changes were straightforward and provided clarification. However, our reviewer emphasized that the Housing Element needed elements that strengthened housing mobility. To this end, the reviewer indicated that Program 1-3 of the Housing Element, the Opt-In Diversification Program, needed to be modified so that it facilitated housing mobility to a greater degree. We went over several potential edits to this program. Key among these edits were deletion of this as a Pilot Program and removal of the set goal that if by 2031 the Town had achieved 12 units under this program it could be discontinued. At the end of our session, our facilitator noted she would check with her colleagues on whether these amendments to the program were sufficient to strengthen housing mobility.

Over the next few days, we learned from our reviewer that the edits to the Opt-In program were not sufficient. An attachment in an email from our reviewer contained additional edits. Key among these new edits was a change to the minimum lot size from one acre downward to one-half acre, which would open this program to additional sites in Town. We immediately sent an email to our reviewer asking if the ½ acre minimum was a new requirement or if it could be changed back to one acre. We received a response from our reviewer that the lot size minimum was "flexible"; however, there was nothing in the response clarifying the intended degree of flexibility.

We continue to reach out to HCD for a meeting and have indicated the ½ acre minimum lot size is an issue for the Town. As of the writing of this email, we have not received a response from our reviewer or any offers to meet. Given the upcoming Town Council meeting on January 24, we are scheduling the Housing Element for consideration of adoption with the expectation that a site eligible for the Opt-In program will remain at one acre as originally drafted. If HCD gets back to us over the next several days with a determination that ½ acre is the required minimum lot size for the Opt-In program, we will advise the Town Council and adjust our recommendation accordingly – which will be to have the Opt-In program and its changes scheduled for review by the Planning Commission as we believe this is a significant enough change that it should go to them for review and discussion.

With the agenda packet for January 24, 2024, we are drafting a new version of the Housing Element that reflects:

- 1. The modifications considered by the Planning Commission at its December 20, 2023 meeting.
- Modifications recommended by the Planning Commission at its December 20, 2023 meeting.
- 3. Modifications that have been required by HCD since the December 20, 2023 Planning Commission meeting.

Thank you for your attention to this and we will let you know if there are other updates.

Jon