

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

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November 15, 2021

James Mason, Director
Community & Economic Development Department
City of Santa Paula
200 S 10th Street
Santa Paula, CA 93060

Dear James Mason:

RE: City of Santa Paula's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Santa Paula's (City) draft housing element received for review on September 16, 2021. 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 November 9, 2021, with Mr. Jeff Mitchem, Community & Economic Development Manager, and Mr. Tom Tarantino, Associate Planner.

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes these, and other revisions needed to comply with State Housing Element Law.

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 (October 15, 2021), then any rezoning to accommodate the regional housing needs allocation, including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City 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:

http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and
http://opr.ca.gov/docs/Final_6.26.15.pdf.

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 should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

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 meets housing element requirements for these and other funding sources.

HCD is 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 Molivann Phlong, of our staff, at Molivann.Phlong@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

Enclosure

APPENDIX CITY OF SANTA PAULA

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

The review requirement is one of the most important features of the element update. The element provides (p. A-2) a list of programs from the City's 2013-2021 housing element; however, a thorough program-by-program review is necessary to evaluate City's performance in addressing housing goals. As part of this analysis, the element should describe the actual results of the prior element's programs, compare those results to the objectives projected or planned, and based on an evaluation of any differences between what was planned versus achieved, provide a description of how the objectives and programs of the updated element incorporate changes resulting from the evaluation. This information and analysis provide the basis for developing a more effective housing program.

As part of the review of programs in the past cycle, the element must provide an evaluation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers and persons experiencing homelessness).

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Affirmatively Furthering Fair Housing (AFFH) Analysis: The element has (p. 57) some information on poverty levels at a local and regional level, limited analysis on race, makes mention of no concentrated poverty impacts and where fair housing complaints can be filed. However, the element generally does not address this requirement. The element, among other things, must include outreach, an

assessment of fair housing, identification, and prioritization of contributing factors to fair housing issues and goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity.

For more information, please contact HCD and visit <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

While the element quantifies (p. 10) existing extremely low-income (ELI) households, it must also analyze their housing needs, housing characteristics, overpayment, and available resources. The analysis of ELI housing needs could consider tenure and rates of overcrowding.

3. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

While the element identifies (p. 9) the total number of overpaying households, it must quantify and analyze the number of overpaying households by tenure (i.e., renter and owner), including lower-income households. The analysis must also include the housing cost for renters in the City.

In addition, while the element identifies the age of the housing stock (p. 13), it must include analysis of the condition of the existing housing stock and estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including non-profit housing developers or organizations.

4. *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, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

The City has a regional housing need allocation (RHNA) of 657 housing units, of which 201 units are for lower-income households. To address this need, the element also relies (p. B-3) on the Housing Opportunities Overlay zone and the East Area 1 Specific Plan (p. B-4). To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses on these overlay zones. For additional information, see the *Building Blocks* at: <https://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml>.

Sites Inventory: The element lists (p. B-7) sites by parcel number or unique reference, and parcel size. However, the element must list sites by describing existing uses for any nonvacant sites, in addition to listing the zoning, general plan designation, and calculation of the realistic capacity of each site. The element must also include a general map of identified sites.

Pursuant to Government Code section 65583.3, subdivision (b), the City 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/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Previously Identified Nonvacant and Vacant Sites: If nonvacant sites identified in a prior adopted housing element or vacant sites identified in two or more consecutive planning periods, the sites are inadequate to accommodate housing for lower-income households unless:

- The site's current zoning is appropriate for the development of housing affordable to lower-income households by either including analysis or meeting the appropriate density, and
- The site is subject to a housing element program that requires rezoning within three years of the beginning of the planning period to allow residential use by-right for housing developments in which at least 20 percent of the units are affordable to lower-income households.

Realistic Capacity: While the element provides assumptions (p. B-1) of buildout for sites included in the inventory, it must also provide support for these assumptions. For example, the element should demonstrate what specific trends, factors, and other evidence led to the assumptions. The estimate of the number of units for each site must be adjusted as necessary, based on the land use controls and site improvements, development standards, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities. To demonstrate the likelihood for residential development in commercial zones allowing residential through the Housing Opportunity Overlay Zone, the element must also account for land use controls such as allowing 100 percent non-residential uses. The analysis could describe past trends in developments that used the overlay, any performance standards mandating a specified portion of residential and any factors increasing the potential for residential development such as incentives for residential use, and residential development trends in the same nonresidential zoning districts.

Small Sites: The element identifies (p. B-4) several sites consisting of small parcels less than one-half acre in size. However, the element must describe whether these small parcels are expected to develop individually or consolidated with the other small parcels. *For parcels anticipated to be consolidated*, the element must demonstrate the potential for lot consolidation. For example, analysis describing the City role or track record in facilitating small-lot consolidation, policies or incentives offered or proposed to encourage and facilitate lot consolidation, conditions rendering parcels suitable and ready for redevelopment, recent trends of lot consolidation, and information on the owners of each aggregated site. *For parcels anticipated to develop individually*, the element must describe existing and proposed policies or incentives the City will offer to facilitate development of small sites. Please be aware sites smaller than a half acre in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing. (Gov. Code, § 65583.2, subd. (c)(2)(A).)

Suitability of Nonvacant Sites: While the element identifies (p. B-7) nonvacant sites to accommodate the regional housing need for lower-income households, it provides little description of how the potential for redevelopment. The element must describe the methodology used to determine the additional development potential within the planning period. The methodology must consider factors including the extent to which existing uses may impede additional residential development, development trends, market conditions, any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, and regulatory or other incentives or standards to encourage additional residential development on these sites. (Gov. Code, § 65583.2, subd. (g).) For sites with residential uses, the inventory could also describe structural conditions or other circumstances and trends demonstrating the redevelopment potential to more intense residential uses. For nonresidential sites, the inventory could also describe whether the use is operating, marginal or discontinued, and the condition of the structure or could describe any expressed interest in redevelopment.

Specific Plan Sites: The housing element relies upon the East Area 1 Specific Plan area to accommodate the City regional housing need for all income groups. While the housing element indicates the Specific Plans' residential capacity and estimates the number of units by income group, it does not provide any analysis demonstrating the suitability for development in the planning period or potential affordability. To utilize residential capacity in Specific Plans, the element must:

- Identify the date of approval of the plans and expiration date.
- Identify approved or pending projects within these plans that are anticipated in the planning period, including anticipated affordability based on the actual or projected sale prices, rent levels, or other mechanisms establishing affordability in the planning period of the units within the project.
- Describe necessary approvals or steps for entitlements for new development (e.g., design review, site plan review, etc.).

- Provide a breakdown of zoning. Note the element indicates there is a Figure B-1a, but this was not included in the element.
- Describe any development agreements, and conditions or requirements such as phasing or timing requirements, that impact development in the planning period.

In addition, the sites inventory indicates that there are 501 acres in the specific plan but does not break this down by parcel nor does it indicate how these large parcels will be subdivided. Please be aware, sites larger than 10 acres in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing. (Gov. Code, § 65583.2, subd. (c)(2)(A).) For example, a site with a proposed and approved housing development that contains units affordable to lower-income households would be an appropriate site to accommodate housing for lower-income households. (Gov. Code, § 65583.2, subd. (c)(2)(C).)

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* Emergency Shelters parking requirements should be updated pursuant to AB 139 (Chapter 335, Statutes of 2019) which requires only sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone.
 - *Accessory Dwelling Units (ADU):* The element provides (p. 34) for enumerated land use categories allowing residential uses, including ADUs. Please note that ADUs are allowed in all zones that allow residential use. (Gov. Code § 65852.2(a)(1).) In addition, the City should ensure that ADU parking requirements are consistent with state law. Parking requirements for ADUs shall not exceed one parking space per unit or bedroom, whichever is less, and guest parking spaces shall not be required for ADUs under any circumstances. For more information, please see <https://www.hcd.ca.gov/policy-research/accessorydwellingunits.shtml>.
5. *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. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.*

(Gov. Code, § 65583, subd. (a)(5).)

Housing Opportunity Overlay Zone: The element relies on sites in commercial zones that allow residential through the Housing Opportunity Overlay Zone. While some information was provided on how the overlay allows residential, the element must include a complete description and analysis of the Overlay, including a breakdown of affordability requirements. While the element states that 100 percent of the project must be for affordable housing, there is no definition of affordable and the breakdown for very low and low only equal 80 percent. The elements must also clarify 21 units per acre is considered the base density for purposes of calculating density bonus and demonstrate the appropriateness of proposed development standards, including requirements for 100 percent affordable, and incentives to encourage and facilitate the development of housing affordable to lower-income households.

East Area 1 Specific Plan: The element (pp. 40 and B-4) relies on the East Area 1 Specific Plan for the City's RHNA and sites for lower-income housing needs. However, the element must analyze the development standards for lower-income housing needs in the East Area 1 Specific Plan including the height limit of 30 feet which allows for only two stories as potential constraints.

Fees and Exaction: The element provides (p. 51) planning and building fees charged by the City and states that they are comparable to those levied in surrounding areas. However, the analysis must analyze those fees for their impact as a potential constraint on housing supply and affordability. For example, while the element states that typically a multifamily project results in about \$40,000 per unit, it could describe the total amount of fees in proportion to development costs. The analysis could also describe current fee study efforts.

Zoning and Fees Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning and development standards for each parcel on the jurisdiction's website pursuant to Government Code section 65940.1, subdivision (a)(1).

Local Processing and Permit Procedures: The element indicates (p. 38) that many mixed-use projects were developed utilizing a Conditional Use Permit (CUP), however, per conversations with the City, the mixed-use development no longer requires a CUP. The element should be updated to reflect how mixed-use projects are currently processed.

The element describes (p. 50) the processing procedures for residential development. However, the element must describe and analyze the design review guidelines and process for their impact as potential constraints on housing supply and affordability. For example, the analysis could describe required findings and discuss whether objective standards and guidelines improve development certainty and mitigate cost impacts. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate.

Constraints on housing for Persons with Disabilities: The element must further analyze (p. 43) the zoning, development standards, building codes, and process and permit procedures as potential constraints on housing for persons with disabilities. For example, the element must describe the City's current procedure for requesting and granting a reasonable accommodation to zoning and land use requirements for persons with disabilities. To AFFH, the element could include a program to provide outreach and education on the availability of the reasonable accommodation procedure. (Gov. Code, § 65583, subd. (c)(1)(3).) In addition, the element currently details (p. 43) that residential care facilities serving six or fewer persons are permitted in all residential zones. However, residential care facilities serving seven or more persons are subject to a conditional use permit. The element should analyze the process as a potential constraint on housing for persons with disabilities and add or modify programs as appropriate to ensure zoning permits group homes for seven or more persons objectively with approval certainty.

6. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality's planning for the development of housing for all income levels and the construction of that housing. (Gov. Code, § 65583, subd. (a)(6).)*

The element must include analysis of requests to develop housing at densities below those identified, the length of time between receiving approval for a housing development and submittal of an application for building permits that potentially. The element must address any hinderance on the development of housing and include programs as appropriate.

7. *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 defines (p. 20) persons with developmental disabilities. However, the element must quantify the number of persons with developmental disabilities and analyze the special housing needs of persons with developmental disabilities. The analysis should include the following:

- a quantification of the total number of persons with developmental disabilities.
- a description of the types of developmental disabilities.
- a description of the housing need, including a description of the potential housing problems; and

- a discussion of resources, policies and programs including existing housing and services, for persons with developmental disabilities.

C. Housing Programs

1. *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 through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

Programs must demonstrate that they will have a beneficial impact within the planning period. Beneficial impact means specific commitment to deliverables, measurable metrics or objectives, definitive deadlines, dates, or benchmarks for implementation. Deliverables should occur early in the planning period to ensure actual housing outcomes. To have a beneficial impact in the planning period and address the goals of the housing element, all programs must be evaluated and revised with discrete timelines (e.g., month and year). Programs containing unclear language (e.g., “Evaluate”; “Consider”; “Encourage”; etc.) should be amended to include more specific and measurable actions. Example of programs to revise with specific commitment include but are not limited to Programs 1 through 11, 14 through 16, and 20. In addition:

- Programs 3 (Housing Code Enforcement Program), 7 (Mobile Home Park Resident Ownership Program), and 10 (Multifamily Housing Acquisition and Rehabilitation) should be revised to provide measurable outcomes.
 - Program 20 (Objective Development Standards) should identify and provide agencies and officials responsible for implementation.
2. *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 that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B4, 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 City 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:

Nonvacant Sites Reliance to Accommodate RHNA: As the element relies upon nonvacant sites and sites under the Housing Opportunity Overlay to accommodate the regional housing need for lower-income households, it should include a program(s) to promote residential development of those sites. The program(s) could commit to (1) provide financial assistance, (2) regulatory concessions, or incentives to encourage and facilitate new, or more intense, residential development on the sites and (3) a mid-term evaluation of the effectiveness of identified nonvacant sites. Examples of incentives include identifying and targeting specific financial resources and reducing appropriate development standards.

3. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

The element must include programs to assist in the development of housing for special needs households (e.g., persons with disabilities, elderly, large households) with specific commitment with timelines. For example, the element could commit to proactive actions to coordinate with non-profit developers, employers or service providers, and other related organizations, to explore funding and incentives and to identify specific development opportunities.

4. *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).)*

As noted in Findings B5 and B6, the element requires a complete analysis of potential governmental and non-governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

5. *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 protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in B1, the element does not include a complete assessment of fair housing. Depending on a complete analysis, the element must add or revise programs as appropriate. In addition, while the element includes Program 22 (Fair Housing Program) which describes how the City responds to fair housing complaints, it must

also include actions that promote AFFH opportunities. For example, the element could include a program committing to implement Gov. Code section 8899.50(b) which requires the City to administer its programs and activities relating to housing and community development in a manner to AFFH and take no action that is materially inconsistent with its obligation to AFFH.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(8).)

While the element includes a general summary of the public participation process (p. C-1), it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element should be revised to discuss outreach to lower-income and special needs groups during the public participation efforts, solicitation efforts for survey responses, and participation in community workshops, and if translation services were provided. The element should also describe when the draft was made available to the public for review, the efforts to circulate the housing element among low- and moderate-income households and organizations that represent them and to involve such groups and persons in the element throughout the process. Finally, the element should also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml>.