

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

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August 13, 2021

Stratis Perros, Director
Department of Environmental Services
City of Simi Valley
2929 Tapo Canyon Road
Simi Valley, CA 93063

Dear Stratis Perros:

RE: Review of Simi Valley's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Simi Valley's (City) draft housing element received for review on June 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 conversations with you, Associate Planner Eric Chen, City Planner Sean Gibson, and consultants Veronica Tam of Veronica Tam & Associates and Lilly Rudolph and Steve Conner of Rincon Consultants.

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 the revisions needed to comply with State Housing Element Law.

For your information, some general plan element updates are triggered by housing element adoption. 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.

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 will meet housing element requirements for these and other funding sources.

For your information, 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#element> 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.

HCD appreciates the cooperation and diligent efforts the housing element update team provided during the review. We are 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 Shawn Danino, of our staff, at Shawn.Danino@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name "Shannan" written in a larger, more prominent script than the last name "West".

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF SIMI VALLEY

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. Housing Needs, Resources, and Constraints

1. *Affirmatively furthering fair housing (AFFH) 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).)*

While the assessment of fair housing in the City meets many of the statutory requirements, it must include additional analysis, as follows:

Disproportionate Housing Needs: The element provides data and analysis regarding the patterns and trends of households experiencing overpayment but must also address overcrowding. Additionally, the element must incorporate analysis regarding displacement risk.

Local Data and Knowledge and Other Relevant Factors: The element should incorporate local data and knowledge of the jurisdiction into the AFFH section. To assist in meeting this requirement, the element should provide local data not captured in regional, state, or federal data analysis. Also, the element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends.

Sites Discussion: The element did not address this requirement. The element must identify sites throughout the City consistent with AFFH. Sites must be identified and evaluated relative to the full scope of the assessment of fair housing (e.g., segregation and integration, racially and ethnically concentrated areas of poverty and affluence, access to opportunity, etc.).

Contributing Factors: The element notes this section will be refined in future versions. For your information, the element must list and prioritize contributing factors to fair housing issues. Contributing factors create, contribute to, perpetuate, or increase the severity of fair housing issues and are fundamental to

adequate goals and actions. Examples include community opposition to affordable housing, housing discrimination, land use and zoning laws, lack of regional cooperation, location and type or lack of affordable housing and lack of public or private investment in areas of opportunity or affordable housing choices. Contributing factors should be unique to the unincorporated areas of the City based on a complete analysis.

Goals, Priorities, Metrics, and Milestones: The element states this section will be included in later versions. For your information, the element must be revised to add or modify goals and actions based on the outcomes of analysis described above. Goals and actions must specifically respond to the analysis and 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 metrics and 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.

For further guidance, please visit HCD's Affirmatively Furthering Fair Housing in California webpage at <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 housing needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low-Income Households (ELI): While the element quantifies existing and projected ELI households, it must also analyze their housing needs. The analysis of ELI housing needs could consider tenure and rates of overcrowding and overpayment. To assist the analysis, see the enclosed data and sample analysis at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

3. *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).)*

To demonstrate the adequacy of sites and strategies to accommodate the City's regional housing need allocation (RHNA), the element must address:

Parcel Listing: The element must identify the anticipated affordability level of the units for each site identified in the sites inventory (Gov. Code, § 65583.2, subd. (c).).

Realistic Capacity: The element (page 4-84) mentions an assumption of 70 percent of maximum allowable densities to calculate residential capacity on

identified sites and includes a few examples of recent developments. However, the element should include additional and clear supporting information on typical densities of existing or approved residential developments at a similar affordability level. For example, the element could clearly list other recent projects, the zone, acreage, built density, allowable density, level of affordability and presence of exceptions such as a density bonus.

In addition, the element appears to assume residential development on sites with zoning that allows 100 percent nonresidential uses, but to support this assumption, the element must analyze the likelihood of residential development in zoning where 100 percent nonresidential uses are allowed. The analysis should be based on factors such as development trends including nonresidential, performance standards requiring residential uses or other relevant factors such as enhanced policies and programs.

Suitability of Nonvacant Sites: The element describes nonvacant sites were identified based on improvement-to-land value ratios and building structures that are older than 30 years. However, the element should include additional factors such as existing versus allowable floor area ratio. In addition, to demonstrate the potential for additional development on these sites, the element should expand the discussion of trends to support these assumptions and list the actual values of these factors for identified sites.

In addition, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, 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).). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2).).

Small and Large Sites: Sites larger than ten acres in size or smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. The element should provide specific examples with the densities, affordability and, if applicable, circumstances leading to consolidation. The element should relate these examples to the sites identified to accommodate the RHNA for lower-income households to demonstrate that these sites can adequately accommodate the City's lower-income housing need. Based on a complete analysis, the City should consider adding or revising programs to include incentives for facilitating development on small sites.

Suitability and Availability of Infrastructure: The element describes infrastructure limitations (Page 4-83) in the City; however, it must also demonstrate sufficient total water and sewer capacity (existing and planned) to accommodate the regional housing need by community plan area.

For your information, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. (Gov. Code, § 65589.7.) Local governments are required to immediately deliver the housing element to water and sewer service providers. The element should clarify consistency with these requirements and include programs as appropriate. For additional information and sample cover memo, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/other-requirements/priority-for-water-sewer.shtml>.

Environmental Constraints: While the element generally describes a few environmental conditions within the City (Table H3-1), it must describe how these conditions relate to identified sites including any known environmental constraints within the City that could impact housing development in the planning period. (Gov. Code, § 65583.2, subd. (b).) For additional information and sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#environmental>.

Accessory Dwelling Units (ADUs): ADUs may be counted toward the RHNA based on past permitted units and other factors. In the element, the City projects 400 ADUs to be constructed over the planning period, averaging 50 units per year. This projection was based on figures provided based on past ADU annual permit figures of 48, 48, and 45 for 2018, 2019 and 2020, respectively. However, Annual Progress Reports (APRs) submitted by the City showed building permit figures of 27, 0, and 53 for 2018, 2019, and 2020, respectively. The element should reconcile these figures and adjust assumptions as appropriate.

Emergency Shelters: The element must demonstrate the CO, CC, CPD, BP, LI and GI zones have sufficient capacity to accommodate the identified housing need for emergency shelters. (Gov. Code, § 65583, subd. (a)(4).) For example, identifying the number of parcels, typical parcels sizes, whether the sites are nonvacant, and the potential capacity for adaptive reuse. For additional information and a sample analysis, see the Building Blocks at http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb2_memo050708.pdf.

Housing for Agricultural Employees: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. For additional information and sample

analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/farmworkers.shtml>.

Manufactured Housing: The element must clarify how manufactured housing on permanent foundations are allowed and ensure consistency with Government Code section 65852.3.

4. *An analysis of any special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; 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 data and analysis for persons with special needs. However, to better formulate policies and programs, it should also identify and analyze elderly households by tenure (renters and owners) and permanent and seasonal farmworkers at a county level. HCD will send data under separate cover.

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... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobilehomes, transitional housing). While the element does provide some information on residential development standards, such as guest parking requirements (Page 4-43), it does not provide analysis on these factors as a possible constraint. The analysis must also evaluate the cumulative impacts of land use controls on the cost and supply of housing, including the ability to achieve maximum densities.

In addition, the element should clarify whether the City has an ordinance in compliance with density bonus law pursuant to Government Code section 65915 and include programs as appropriate.

Growth Control: The element notes the City's adoption of a "Managed Growth Plan to ensure that the rate of residential development is metered in an effort to control the rate of ozone generated within the City" (Page 4-57). The Housing Crisis Act of 2019 (SB 330, 2019) was signed by Governor Newsom on October 9, 2019, and became effective on January 1, 2020. The Housing Crisis Act (Gov. Code, § 66300) generally prohibits a locality from enacting a development policy, standard or condition that reduces intensity, imposes moratoriums, enforces subjective design standards, or implements any provision that limits approvals or caps population. These provisions

remain in effect until January 1, 2025. Specifically, Government Code section 66300, subdivision (b)(1)(D), with limited exception not applicable here, does not allow affected jurisdictions to adopt new or enforce existing limits on the number of land-use approvals or permits. The City should evaluate consistency with these requirements and if necessary, immediately void or suspend the annual growth cap.

Building Codes and Enforcement: The housing element must describe and analyze which building code (e.g., 2019) is enforced, any local amendments to the building code, and their enforcement for impacts on housing supply and affordability. For additional information and a sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

On/Off Site Improvements: The element must identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

Persons with Disabilities: The element briefly describes its reasonable accommodation procedures including that a reasonable accommodation must be in full compliance with the City's development and municipal codes; however, the purpose of the reasonable accommodation is to provide exception to zoning and land use. As a result, the element must include a program to address this constraint. In addition, group homes for seven or more persons appears to be excluded from several zones allowing residential uses and subject to a conditional use permit. The element should evaluate these requirements as constraints and include programs as appropriate.

Streamlining Provisions: The element should clarify whether the City has procedures consistent with streamlining requirements pursuant to Government Code section 65913.4 and include programs as appropriate.

Zoning and Fees Transparency: The element mentions the City's website but should clarify its compliance with new transparency requirements for posting fees and all zoning and development standards for each parcel on the jurisdiction's website.

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.*

Developed Densities and Permit Times: The element must be revised to analyze requests to develop housing at densities below those anticipated in the sites inventory, including hinderance on the construction of the City's share of the regional housing need.

B. 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).)*

To address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include:

Program 10: Program 10 describes the City's intent to expand ADU permits by increasing "outreach and technical assistance to interested homeowners." However, the program must go beyond exploring and must outline specific actions for which the City is committing to take and provide a schedule for these actions. In addition, the program should commit to more frequent monitoring, including affordability and when additional actions will be established if ADUs are not permitted consistent with assumptions.

Program 11: Program 11 describes the City's intent to "focus on higher density developments and mixed-use projects." However, the program must go beyond revisiting its standards and must outline specific actions for which the City is committing to take and provide discrete timing for when actions will be completed.

Program 12: Program 12 describes the City's intent to "monitor its development standards and development review / approval process." However, the program must go beyond monitoring and recommending and must outline specific actions for which the City is committing to take and provide discrete timing for when actions will be completed.

Program 16: Program 16 commits the City to additional rezoning "to foster additional residential growth." However, the program must provide discrete timing.

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 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 A3, 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:

Program 7: Program 7 commits the City to rezoning to accommodate the regional housing need, including for lower-income households. However, the program must provide discrete timing for completing rezoning, generally within 3 years of the beginning of the planning period.

City-Owned Sites: The element should include specific commitment to encourage development on City-owned sites. Actions include additional incentives, schedule for development, significant outreach with developers of affordability housing, reducing fees and seeking financing or supporting applications for funding.

Missing Middle: The element notes upzoning to accommodate the housing needs of the missing middle. Given public comments noted in the element, the element could include additional actions to encourage housing to accommodate this housing need such as expanding permitted uses in some zones, establishing incentives or other efforts.

3. *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).)*

While the element includes programs to assist in the development of very low-, low-, and moderate-income households, it must also include a program(s) to assist in the development of housing for all special needs households (e.g., elderly, homeless, farmworkers, persons with disabilities, female-headed households). Program actions could include proactive outreach and assistance to non-profit service providers and developers, prioritizing some funding for housing developments affordable to special needs households and offering financial incentives or regulatory concessions to encourage a variety of housing types.

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 A4 and A5, the element requires a complete analysis of potential governmental and nongovernmental 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 AFFH 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 Finding A1, the element must include a complete analysis of AFFH. Based on the outcomes of that analysis, the element must add or modify programs as appropriate.

C. 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 summary of the public participation process and includes a list of community meetings conducted (Pages H2-1 to H2-2), the City should consider additional methods of public outreach to make a diligent effort to achieve public participation. For example, efforts could be made to expand language access and interview stakeholders and service providers. Please note, the City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including making revisions to the document where appropriate.