

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

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September 24, 2021

Wayne Morell, Director
Planning and Development Department
City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670

Dear Wayne Morell:

RE: Review of Santa Fe Spring's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Santa Fe Spring's (City) draft housing element received for review on July 28, 21021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

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.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2021, for Southern California Association of Governments (SCAG) localities. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.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 will meet housing element requirements for these and other funding sources.

HCD appreciates the hard work and commitment of the City 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 Paul McDougall at paul.mcdougall@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 SANTA FE SPRINGS

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).)

As part of the evaluation of programs in the past cycle, the element must provide an evaluation of the cumulative 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. *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).)*

Extremely Low-Income Households (ELI): The element includes some basic information regarding ELI households, but it must identify the projected number of ELI households and include analysis to better formulate policies and programs. For example, the element should analyze tenure, cost burden, overcrowding and other household characteristics then examine the availability of resources to determine gaps in housing needs. The projected housing need for ELI households can be calculated by using available census data to determine the number of very low-income households that qualify as ELI households or presume that 50 percent of the regional housing needs allocation (RHNA) for very low-income households qualify as ELI households. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

2. *Affirmatively further[ing] 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).)*

Fair Housing Enforcement and Outreach: While the element includes general county level information on capacity to provide enforcement and outreach and characteristics of complaints, it should also include local data and knowledge to complement and tailor this description. For example, local data is available through the Office of Fair Housing and Equal Opportunity. In addition, the analysis must address compliance with existing fair housing laws as well as any past or current fair housing lawsuits, findings, settlements, judgements, or complaints.

Integration and Segregation: The element includes some data on dissimilarity (racial segregation). However, the analysis must identify and analyze the patterns and trends (at a local and regional level) of segregation and integration by familial status, income and for persons with disabilities.

Access to Opportunity: The element includes some general statements and mapping around access to opportunity, but it should also include information and analysis of patterns and trends (at a local and regional level) related to the components of access to opportunity (i.e., education, economic, transportation and environmental quality).

Disproportionate Housing Needs, Including Displacement Risk: The element includes analysis on displacement risk, but should address analyze patterns and trends (at a local and regional level) for overcrowded households, substandard housing conditions, persons experiencing homelessness and cost burdened households.

Local Data and Knowledge: 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.

Other Relevant Factors: 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.

Inventory of Sites: The element includes some information on the number of units by income group and resource area but should also address other components of the assessment of fair housing (e.g., segregation and integration and disproportionate housing needs), evaluate the impact of the identified sites on existing patterns and analyze whether identified sites improve or exacerbate each of the fair housing issue areas.

Contributing Factors: The element must list and prioritize contributing factors to fair housing issues at the local level. The element currently lists contributing factors for the City; however, it should use the outcomes of a complete analysis to identify and prioritize contributing factors specific to Santa Fe Springs. 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. The analysis shall result in strategic approaches to inform and connect goals and actions to mitigate contributing factors to affordable housing.

Goals, Priorities, 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 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.

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).)*

Realistic Capacity: The element describes an assumption of 90 percent of maximum allowable densities to calculate residential capacity on R3 zoned sites and 80 percent on mixed use zoned sites. The analysis utilizes three recent developments, two of which utilized an exception process through the planned development overlay. The analysis for R3 zoned sites should consider additional examples and should also include information on affordability. The analysis for mixed-use sites should account for the likelihood of 100 percent nonresidential uses occurring. The analysis should be based on factors such as development trends, performance standards or other relevant factors. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly.

Suitability of Nonvacant Sites: While the element includes analysis demonstrating the potential for redevelopment on the U-1 site, it must include additional analysis to demonstrate the potential for additional development on Site U-2 or consider other sites if appropriate. In addition, the element must include analysis to demonstrate potential for additional development on sites to accommodate the housing needs of moderate- and above moderate-income households. The analysis should consider the extent to which existing uses may constitute an impediment to additional residential development, the City's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

City-Owned Sites: The sites inventory identifies the City-owned Site V-1. The element must include an analysis to demonstrate their suitability and availability in the planning period. Specifically, the analysis should address general plan designations, existing uses and any known conditions that preclude development in the planning period and the potential schedule for development. If zoning does not currently allow residential uses at appropriate densities, then the element must include programs to rezone sites pursuant to Government Code section 65583.2, subdivisions (h) and (i).

Suitability and Availability of Infrastructure: While the element states that all sites have access to infrastructure and water, it should clarify sufficient water and sewer capacity to accommodate the RHNA.

In addition, 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 discuss compliance with these requirements and if necessary, add or modify programs to establish a written procedure by a date early in the planning period. 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>.

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 125 ADUs to be constructed over the planning period, averaging 15 units per year. This projection was based on permitted units in 2019. However, these figures differ from HCD records (10 ADUs) and should be reconciled. In addition, the element should include more recent figures (2020) to support assumptions or adjust assumptions as appropriate.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. 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.

Zoning for a Variety of Housing Types (Emergency Shelters): The element states that emergency shelters are permitted in the Limited Manufacturing (ML) zone. However, the element should also clarify shelters are permitted without discretionary action and discuss available acreage, including typical parcel sizes and the presence of reuse opportunities. In addition, the analysis should address proximity to transportation and services, any conditions inappropriate for human habitability. Finally, the element should describe how emergency shelter parking requirements comply with AB 139 (Chapter 335, Statutes of 2019) and Government Code section 65583, subdivision (a)(4)(A), or include a program to comply with this requirement. For additional information and a sample analysis, see the Building Blocks at http://www.hcd.ca.gov/community-development/housing-element/housing-element-emos/docs/sb2_memo050708.pdf.

4. *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. The analysis should specifically address requirements related to multifamily parking. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints.

Processing and Permit Procedures: The element describes all development is subject to the Development Plan Approval, subject to at least one Planning Commission hearing, but it should also analyze this procedure. Specifically, the analysis should address the typical number of hearings and approval findings for impacts on timing, cost, supply and approval certainty. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate.

On/Off-Site Improvements: The element states developers may be required to contribute to improvements but, it should also analyze actual improvement standards for impacts on cost and supply of housing and include programs if appropriate.

Constraints on Housing for Persons with Disabilities: The element has some information on its reasonable accommodation procedure but must also describe the process and analyze any findings of approval. In addition, the element should describe and analyze any definitions of family implemented in zoning and conditional use permit requirements on group homes for seven or more persons. The element should address any impacts on housing for persons with disabilities and add or modify programs as appropriate.

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(a)(1).

Local Ordinances: The element must specifically analyze any other locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances that directly impact the cost and supply of residential development.

5. *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 includes some general quantification; however, the element should include analysis of households with special housing needs. The analysis should include, but is not limited to, factors such as trends, household income, tenure, housing types, zoning, and available resources. In addition, the element should address persons with disabilities by disability type, number of persons with developmental disabilities, elderly households by tenure, large households by tenure, and permanent and seasonal farmworkers (e.g., USDA county level data). For additional information and a sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/large-families-female-head-household.shtml>.

6. *An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next ten years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. (Gov. Code, § 65583, subd. (a)(9).)*

The element includes an inventory of assisted developments that are at-risk of converting to market rate uses in the planning period. The element should also estimate the replacement versus preservation costs and should expand the qualified entities identified for potential preservation of at-risk units. For more information on qualified entities, please see <https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>.

C. Housing Programs

1. *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 B3, 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:

- *Shortfall:* The element appears to describe a shortfall of sites with appropriate zoning and indicates rezoning will occur to accommodate the RHNA. While the element includes Program 11 (Zoning Code Revisions), if necessary to accommodate a shortfall of sites, it must specifically commit to acreage, allowable densities and anticipated units. In addition, if necessary, to

accommodate the housing needs of lower-income households, the program should specifically commit to rezoning pursuant to Government Code section 65583.2, subdivisions (h) and (i).

- *City-owned Sites*: The element should include a program with specific actions and milestones to facilitate development on City-owned sites, particularly those identified to accommodate the lower-income RHNA. The program should commit to a specific schedule of actions to facilitate development, including zoning, outreach with developers, incentives, fee waivers, priority processing and financial assistance. if zoning at appropriate densities is necessary, Programs should commit to rezoning pursuant to Government Code section 65583.2, subdivisions (h) and (i). Finally, the program should commit to an alternate course if actions do not occur as planned to facilitate development.
 - *Accessory Dwelling Units*: Program 7 (Accessory Dwelling Units) should specifically commit to monitor permitted ADUs and affordability and, if trends do not support assumptions, take appropriate action such as adjusting assumptions or rezoning within a specified time period (e.g., 6 months).
2. *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 specific actions to assist in the development of housing for lower and moderate-income households, including extremely low-income and special needs households. Specifically, Programs 1 (Home Improvement Rebate) and 5 (Affordable Housing Assistance) should be revised with discrete timelines (e.g., annually). In addition, Program 12 should specifically commit to amend the density bonus ordinance in compliance with Government Code section 65915.

3. *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 Finding B4, 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.

4. *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 Finding B2, the element does not include a complete analysis of affirmatively furthering fair housing. Depending on a complete analysis, the element may need to add or revise programs as appropriate.