

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

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July 7, 2022

Kenneth Striplin, City Manager
City of Santa Clarita
23920 W. Valencia Blvd. Suite 302
Santa Clarita, CA 91355

Dear Kenneth Striplin:

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

Thank you for submitting the City of Santa Clarita's (City) housing element adopted on May 10, 2022 and received for review on May 11, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The adopted housing element addresses many statutory requirements described in HCD's January 11, 2022 review; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code) See enclosed Appendix.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. During the housing element revision process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and an email with the link sent to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

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 appreciates the efforts City staff and consultants provided throughout the course of the housing element 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, Reid Miller of our staff, at Reid.Miller@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melinda Coy', with a long, sweeping horizontal stroke extending to the right.

Melinda Coy
Proactive Accountability Chief, Land Use and Local Government Relations

Enclosure

APPENDIX CITY OF SANTA CLARITA

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 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).)*

Integration and Segregation: While the element was revised to provide sufficient data on integration and segregation across racial groups and familial status, further analysis is needed for disabilities and income. Specifically, while the revised element describes where income-based concentrations are in the City, it does not describe potential contributing factors as to the cause of these concentrations. Additionally, the element must be revised to evaluate patterns at a regional basis for disabilities, comparing the City to the region.

Areas of Concentrated Affluence: While the element included a map of Racially Concentrated Areas of Affluence, and offers analysis for local patterns, it should also evaluate the patterns and changes over time at a regional level (e.g., city to region).

Disparities in Access to Opportunity: While the element was revised to provide analysis on access to transit throughout different areas of the City, as well as an analysis of access to transit by protected group, this same methodology should also be employed to access to economic opportunity throughout the City. Access to economic opportunity analysis should also include information on job proximity and employment trends in relation to other factors such as patterns of segregation and poverty.

Disproportionate Housing Needs Including Displacement Risks: While the element was revised to provide adequate analysis on cost burden and overcrowding, it must still provide further local and regional analysis for substandard housing and homelessness. Specifically, for substandard housing, the element should provide a regional analysis, stating whether there are any concentrations of substandard housing in surrounding areas. For a complete homelessness analysis, the element should be revised to provide available demographic data for persons experiencing homelessness. In addition, while the element has been revised to provide further data on displacement it

must still provide analysis and conclusions based on this data, including analysis of displacement risk relating to disinvestment and disasters.

Site Inventory: While the element was revised include some analysis related to integration and segregation, a full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that effects the existing patterns for all components of the assessment of fair housing. For example, while the sites analysis for integration and segregation adequately addressed race and income, it should also include familial status and disability. Analysis also focuses on access to opportunity and disproportionate housing needs overall, but must analyze each factor of the two analyses. The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to mitigate this (e.g., anti-displacement strategies).

Goals, Actions, Metrics, and Milestones: The element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. In addition, while the element was revised to include a table of actions that contribute to achieving fair housing goals, 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. Programs should include geographic targeting as appropriate to respond to 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.

2. *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 10,031 housing units, of which 5,131 are for lower-income households. To address this need, the element relies on vacant and nonvacant sites, including sites in Specific Plan Areas and within Mixed-Use areas. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Progress in Meeting the RHNA: The City's RHNA may be reduced by the number of new units built since June 30, 2021. The element indicates (p. 57) 9,135 planned, approved pending units toward the RHNA, but it must indicate where each project is in the development process. While some generalized information was added to state where projects are in the development process, with many units it is unclear how long some have been approved (i.e., tentative map and approvals, and whether the projects under review complete application, etc.). Additional analysis determining estimated completion dates should be added.

Sites Inventory: While the element has been revised to include a map of sites in the inventory, and general plan designations were added for each site in the inventory, the total capacity of sites does not equal the breakdown of units by affordability on page 325. The element should be revised to address this inconsistency.

Realistic Capacity: While the element was revised to provide additional information regarding realistic capacity of RHNA sites, it must provide additional support for the assumptions of residentially-zoned land. Specifically, the element must state whether land use controls or site improvements were considered as part of the capacity analysis. Additionally, while the element was revised to provide additional examples of sites to support the realistic capacity analysis, the analysis should take into account affordability. Lastly, for the additional project examples in zones allowing nonresidential uses, the examples should clarify whether the projects were mixed-use or 100 percent residential and whether there is commercial demand on the identified sites.

Suitability of Nonvacant Sites: While the element was revised to provide examples of existing developments on nonvacant sites to demonstrate viability for sites in the inventory, the element must analyze the extent that existing uses may impede additional residential development. Please see HCD's prior review for findings regarding the analysis of the suitability of nonvacant sites.

Small and Large Sites: While the element was revised to provide examples of recent projects developed on lots larger than ten acres and smaller than half an acre, the sites chosen as examples do not appear to accommodate housing for lower-income households. The element must provide specific examples of sites with similar densities and affordability and should relate these examples to the sites identified to accommodate the RHNA for lower-income households. The element must be revised to demonstrate the City's ability to develop housing for lower-income households on small and large sites, and include policies and programs to incentivize development (including affordable development) on such sites. Additionally, the inventory listed multiple sites to accommodate as few as 2, 3 and 4 affordable units on a site (0.10, 0.17 and 0.22 acres respectively). The element must be revised to describe the feasibility of development for affordable housing on both vacant and nonvacant small sites.

3. *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).*

Land Use Controls: While analysis has been added to address most potential constraints from land use controls, and the element states that parking is not a constraint, requiring enclosed spaces for multifamily and mixed-use housing has still not been analyzed as a potential constraint. Additionally, the requirement of two spaces per one bedroom, and one guest space for every two units in multifamily developments should be analyzed as potential constraints. The element should also be revised to clarify whether the requirement of two parking spaces for residential care facilities is per bed, or per development.

Fees and Exaction: While the element has been revised to list fees, the element must describe typical total fees for single-family and multifamily development as a percent of the total cost of the development, and clarify if total estimated costs include the permitting and development fees, or solely impact fees.

Local Processing and Permit Procedures: While the element was revised to add analysis to many elements of local processing and permit procedures as potential constraints, it must still clarify typical processing times is for single family and multifamily developments respectively. Additionally, the element should be revised to provide a description and analysis of findings and approval procedures for the conditional use permit (CUP) process as well as the development review permit.

Design Review: While the element has been revised to discuss design guidelines adopted in 2009, and states that these guidelines improve approval certainty, it does not adequately discuss necessary findings, or if required findings have objective standards. 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 was revised to provide additional explanation of the CUP process for residential care facilities of seven or more, and states that CUP process is not a constraint because it only ensures compatibility and health and safety standards in relation to surrounding uses. However, the “community care” allowance ascribed to group homes for seven or more residents does not specifically state the number of residents it permits. In addition, the City’s zoning code appears to isolate and regulate various types of housing for persons with disabilities based on the number of people and other factors. Examples include residential care home, community care facility and residential healthcare facilities. First, zoning should simply implement a barrier-free definition of family instead of subjecting, potentially persons with disabilities, to special regulations such as the number of persons, population types and licenses. Second, these housing types are excluded from some residential zones, most notably low-density zones, which can constrain the availability of housing choices for persons with disabilities. Finally, these housing types in many cases are subject to a special use or conditional use permit, potentially subjecting housing for persons with disabilities to higher discretionary standards where an applicant must demonstrate compatibility with the neighborhood, unlike other residential uses. The element should include specific analysis of these and any other constraints, including their enforcement and consider public comments, for impacts on housing for persons with disabilities and add or modify programs as appropriate. The

element must be revised to clearly allow residential care facilities for seven or more residents in a manner that is objective and facilitates approval certainty.

In addition, while the element was revised to include the definition of family, the element must clarify how the City defines “single housekeeping unit” and whether group homes that do not provide licensable services, including for seven or more residents, are treated the same as other similar dwellings in the same zone. The element should analyze the definition of family as a constraint and add a program as needed.

Finally, while the element was revised to provide further analysis of the reasonable accommodation process, and program was added to reduce and/or remove fees from process, the program must be revised to commit to completely remove fees from the reasonable accommodation process.

4. *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).)*

While the element was revised to analyze the needs of some of the City’s special needs populations, it must still provide a complete analysis of the needs of persons with disabilities, large households, female-headed households, and farmworkers. For a complete analysis of each population group, the element should discuss challenges faced by the population; the existing resources to meet those needs; an assessment of any gaps in resources; and proposed policies, programs, and funding to help address those gaps.

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 (i.e. month and year); (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. Programs to be revised include the following:

Program HP-1.4 (Affordable Housing Density Bonus): The program must be revised to clarify whether the existing density bonus is in compliance with State Density Bonus Law, or needs to be updated. All portions of the program must also provide concrete actions, discrete steps toward implementation.

Program HP-1.5 (Mixed Use Overlay Zone): While the program clarified actions are already in place, the timeline should be revised to provide a clear timeline for implementation of all elements of the program. Additionally, the element should include proactive outreach to developers.

Program HP-1.6 (Graduated Density Zoning and Site Consolidation—Old Town Newhall): The program should be revised to clarify if height concessions will be implemented.

Program HP-1.7 (Inclusionary Housing Program- Mixed Income Housing): While the program was revised to clarify that the feasibility study will be completed by 2024, it should also describe what types of incentives are being considered in as a part of the study, and should clarify what activities will be implemented after the study has been completed.

Program HP-2.4 (Flexible Development Standards): HCD's prior review stated this program should clarify whether the incentives included in the program are currently in place, and if not, it that it should give a date as to when such incentives will be available. It also stated that the program should include a specific timeline for implementation and a proactive outreach component. In response the revised element instead removed the program and turned it into a policy, which does not address the HCD's finding. The program should remain, and provide a specific timeline for implementation and include a proactive outreach component.

Program HP-2.5 (Fee Reductions or Deferrals for Affordable and Special Needs Housing): HCD's prior review stated this program should describe what determines eligibility and whether the eligibility determination is discretionary. It also stated the program should strengthen the implementation language beyond "consider" being that fees were identified as a constraint, and provide a specific timeframe for implementation. In response the revised element instead removed the program and turned it into a policy, which does not address HCD's finding. The program should remain and be revised to describe the eligibility process, strengthen implementation language, and provide a specific timeline for implementation, as stated in HCD's prior review.

Program HP-2.6 (Expedited Processing for Affordable Housing Projects): HCD's prior review stated this program should be modified to include outreach to developers as well as how often. In response the revised element instead removed the program and turned it into a policy, which does not address HCD's finding. The program should remain and be revised to include outreach to developers, and describe how often this outreach will be conducted.

Program HP-3.2 (Handyworker Program): While the program was modified to explain if there will be proactive outreach to residents, it must still clarify if the program will occur annually.

Program HP-3.6 (Workforce Housing Program): HCD's prior review stated that this program should include proactive outreach, a description of how often properties will be considered for the program, and specific implementation timing. In response the revised element instead removed the program and turned it into a policy, which does not address HCD's finding. The program should remain and be revised to include proactive outreach, a description of how often properties will be considered for the program, and specific implementation timing.

Program HP-4.2 (Monitoring of Codes and Ordinances to Remove Barriers): The revisions did not address HCD's prior findings. In addition, the actions regarding reasonable accommodation were removed and must be included in the program.

Program HP-4.3 (Homeless Case Management): While the program appears to describe annual applications for funding, the program timeframe should be revised specifically to state how often the City will apply for financial assistance.

Program HP-4.10 (Proactive Community Preservation): While the timeframe section of the program states activities will be ongoing after 2025, the body of the program says the program will continue through 2025. They must; therefore, be revised to clarify this timing inconsistency.

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 A2, 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.

Replacement Housing Requirements: While Program HP-2.7 (Replacement Housing Program) was added to the element to ensure compliance with Government Code, § 65583.2, subdivision (g)(3), it does not clearly state when the program itself will be implemented. The element should be revised to add a clear implementation date.

Sites Identified in Multiple Planning Periods: While Program HP-1.13 (Utility Providers Responsibility to Prioritize Service) was added to address compliance with Government Code, § 65583.2, subdivision (c), it is unclear if the program will be implemented within the first three years of the planning period and commit to necessary zone changes. As stated in the previous review, the program must be implemented within the first three years of the planning period and commit to zone for the following:

- sites must meet the density requirements for housing for lower-income households, and
- allow by-right approval for housing developments that include 20 percent or more of its units affordable to lower income households. (Gov. Code, § 65583.2, subd. (c).)

Please be aware, pursuant to Government Code 65588, subdivision (e)(4)(C)(iii) if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until rezones pursuant to Government Code section 65583.2, subdivision (c) is completed.

Accessory Dwelling Units (ADU): While Program HP-2.6 (Provide Accessory Dwelling Units and Junior Accessory Dwelling Units) was added to the element to add incentives for ADUs early in the planning period, it should be revised to add monitoring activities other than required APR reporting. In addition, a program should be added or revised to include monitoring the production and affordability levels of ADUs every two years with additional implementation actions if not meeting target numbers in the housing element. Additional actions, if necessary, should be taken in a timely manner (e.g., within six months). Finally, if necessary, the degree of additional actions should be in stride with the degree of the gap in production and affordability.

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).)*

Programs HP-1.8 (Affordable Sites Incentive Program) and HP-2.1 (Funding Priority to Extremely Low-income Affordable Housing): The element is required to include programs to assist with the development of extremely low-income (ELI) households, both programs listed were removed from the element. These programs are important to incentivize and provide affordable housing and must be included in the element to meet this requirement. Please see HCD's prior review finding.

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 FindingsA3, the element requires a complete analysis of potential 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. In addition, the following programs must be revised:

Program HP-4.4 (Housing for Persons with Disabilities): While this program was eliminated and converted to a policy, it should remain a program as there are actions associated with the program to assist persons with disabilities. The policy also does not address the findings in HCD's prior review.

Program HP-4.7 (Administrative Process for Reasonable Accommodations): As stated in HCD's prior review, this program should be modified to eliminate fees for applicants in the reasonable accommodation process.

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 Finding B1, the element must include a complete analysis of Affirmatively Furthering Fair Housing (AFFH). The element must be revised to add 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.

6. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, "accessory dwelling units" has the same meaning as "accessory dwelling unit" as defined in paragraph (4) of subdivision (i) of Section 65852.2. (Gov. Code, § 65583, subd. (c)(7).)*

Program HP-2 (Provide for Accessory Dwelling Units and Junior Accessory Dwelling Units) was added to provide ADU incentives, it only speaks specifically of a brochure and a webpage, without discussing affordability of ADUs. Further discussion on this should be added, and the program should also add a monitoring component for ADU production and affordability.

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).)

The element now describes when the draft housing element was made available to the public prior to transmitting to HCD, as well as the City's continued efforts to make the revised adoption document available for public review and input. The element also references targeted outreach in Newhall and Canyon Country. A breakdown of public comments and the City's response and incorporation into the element is also provided in Appendix B of the element. However, the element must be revised to specifically state whether or not there was specific outreach to the lower-income communities once the full draft was made available to the public. In addition, the element should clarify whether additional comments were received and incorporated in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.