

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

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



January 25, 2022

Brian Gabler, City Manager  
City of Simi Valley  
2929 Tapo Canyon Road  
Simi Valley, CA 93063

Dear Brian Gabler:

**RE: Simi Valley's 6<sup>th</sup> Cycle (2021-2029) Adopted Housing Element**

Thank you for submitting the City of Simi Valley's (City) housing element adopted on October 25, 2021 and received for review on October 28, 2021. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by conversations with you; Eric Chen, Associate Planner; Sean Gibson, City Planner; consultants Veronica Tam of Veronica Tam & Associates; Lilly Rudolph and Steve Conner of Rincon Consultants. In addition, HCD considered comments from Reese Holland pursuant to Government Code section 65585, subdivision (c).

The adopted element addresses many statutory requirements described in HCD's August 13, 2021 review; 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.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described, adopt, and submit to HCD to regain housing element compliance.

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 (RHNA), 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).

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, 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](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and  
[http://opr.ca.gov/docs/Final\\_6.26.15.pdf](http://opr.ca.gov/docs/Final_6.26.15.pdf).

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](mailto:Shawn.Danino@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager

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).)*

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element was revised to describe the sites inventory with regards to different concentrations of socio-economic characteristics. However, the element should also evaluate the impacts of identified sites by income group and location, including any isolation of the regional housing needs allocation (RHNA) by income group and address whether identified sites improve or exacerbate segregation and inclusion. This analysis should be complimented by local data and knowledge and other relevant factors as described below.

Local Data and Knowledge and Other Relevant Factors: As noted in the prior HCD review, the element must include local data and knowledge and other relevant factors to complete an assessment of fair housing. This information and factors should complement the data reported for the various components of the assessment (e.g., segregation and integration, disproportionate housing needs, including displacement) to formulate appropriate policies and programs. A complete assessment of fair housing should evaluate coincidence across the components of the assessment. For example, the element should address similarities between patterns related to poverty, overpayment and displacement risk.

Local data and knowledge should address local data not captured in regional, state, or federal data such as information from City's records, information from planning documents and expertise and comments from community and stakeholder meetings.

Other relevant factors should discuss factors that contribute to fair housing issues in the jurisdiction. For instance, the element should analyze historical land use, zoning, governmental and nongovernmental spending including transportation investments, effectiveness of past strategies, demographic trends, historical patterns of

segregation, or other information that may have impeded housing choices and mobility.

Contributing Factors to Fair Housing Issues: While the element now lists various contributing factors to fair housing issues, it should re-assess and particularly prioritize these factors based on a complete analysis.

Goals, Priorities, Metrics, and Milestones: The element was revised to include discussions of priorities, goals, and actions in Table H4-20. However, these programs do not make sufficiently specific, quantifiable commitments to promote and AFFH opportunities. 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 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. *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: While the element was revised with a few examples of recent development, it must still include additional and clear supporting information on typical densities as describe in the prior review. 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. This is particularly important since the element (p. 4-42) notes that projects do not always develop to the maximum available density due to developer decisions and market preference.

In addition, the element explains some built densities in the mixed-use overlay but must still account for the likelihood of 100 percent nonresidential development, specifically if underlying zoning continues to allow 100 percent nonresidential uses despite the mixed-use overlay. For example, the element could analyze all development activity in zones allowing 100 percent non-residential uses, how often residential development occurs, and the potential impacts on likelihood of the mixed-use overlay zone. Depending on the results of a complete analysis, the element may need to adjust residential capacity calculations, policies, and programs accordingly.

Nonvacant Sites: The element now includes underutilized floor area ratio as an additional factor to demonstrate the potential for additional development and describes some recycling trends. However, the element should still expand the discussion of recycling trends to support the various factors utilized. For example, the element should indicate the values of the factors from recent development and evaluate how that

relates to identified sites. In addition, the element should include discussion on whether existing uses impede additional development, particularly for sites identified to accommodate the RHNA for lower-income households based on existing zoning. In some cases, the element indicates property owner interest in housing development. But, in the other cases, the element should include information that indicates the potential for redevelopment or turnover in uses, such as expiring leases, vacancies, past change in uses or ownership, lack of improvements, sites for sale or other factors.

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).) Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the regional housing need allocation. HCD is not aware that the City has made the appropriate finding. If applicable, any future re-adoption of the housing element must include the appropriate finding as part of the adoption resolution.

Large Sites: The element now notes two parcels over ten acres have been identified to accommodate the RHNA for lower-income households. The element states lower-income residential capacities were assumed to account for commercial development, but it must still provide analysis to demonstrate the suitability of these sites to accommodate the RHNA for lower-income households as described in the prior review. For example, the element could describe past projects on similarly sized sites and assumed affordability, any interest in developing these sites for housing affordable to lower-income households, input from affordable developers, plans to split or subdivide the sites at appropriate sizes (e.g., one-ten acres) or policies and programs to work with property owners and provide incentives to subdivide the sites at appropriate sizes.

Infrastructure: The element now includes a program and some discussion related to coordinating with water and sewer providers, including the availability of procedures to grant priority service to developments with units affordable to lower-income households. The element also mentions the City will continue to ensure priority service. However, since the City is the sewer provider, the element should clarify whether the City has a written procedure to grant priority or modify Program 17 (Consult with Water and Sewer Providers) as appropriate.

Accessory Dwelling Units (ADUs): The element was revised to describe ADU trends from 2018, 2019 and 2020 and clarified that 48, 48, and 45 ADUs, respectively, received Certificates of Occupancy. However, the Annual Progress Reports (APRs) submitted by the City still show building permit figures of 27, 0, and 53 for 2018, 2019, and 2020, respectively. The City should reconcile these figures either through a correction to APRs or revise assumptions as appropriate.

Electronic Site Inventory: As noted in the prior review, 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 and submit an electronic version of the sites inventory. While the City has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

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

Land Use Controls: The element was revised to describe additional development standards for the mixed-use overlay zone (p. 4-95) and describe future strategies to review parking requirements as a possible constraint (p. 4-47). However, the element must still evaluate the cumulative impacts of land use controls on the cost and supply of housing, including the ability to achieve maximum densities. For example, the element should evaluate the cumulative impacts of setbacks, heights and height stepbacks on the ability to achieve maximum densities. Based on the outcomes of this analysis, the element should revise 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.

## **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... (Gov. Code, § 65583, subd. (c).)*

As noted in the prior review, program must still be revised as follows:

Program 10 (Accessory Dwelling Units): Program 10 was revised to monitoring ADU's affordability and providing some technical assistance by the end of 2023 (p. 4-114). However, the Program should still commit to when additional actions will be established if ADUs are not permitted consistent with assumptions. For your information, if ADU results are significantly less than assumed, additional actions may warrant rezones or other efforts to identify additional sites.

Program 12 (Development Standards and Review Process): Program 12 was revised with various commitment, including marketing incentives; however, marketing incentives does not appear to streamline review. Further, the Program should make specific

commitments to address parking and height requirements, beyond reviewing requirements based on a complete analysis as noted in Finding A3 and should commit to go beyond “evaluate” compliance with new transparency requirements (AB 1483) and make appropriate changes for compliance.

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 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. In addition:

Program 7 (Adequate Sites): The Program still must be revised to include discrete timing for completing rezoning, generally within three years of the beginning of the planning period or by October 15, 2022, depending on the circumstances.

City-Owned Sites: The element was not revised to address this requirement. Please see HCD’s prior review.

Missing Middle: As noted in the prior review, given public comments, 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).)*

The element was not revised to address this requirement. Please see HCD’s prior review.

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 A3, 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.

In addition, Program 13 (Zoning Ordinance Amendments) should be revised to clarify commitments related to parking for emergency shelters and group homes for seven or more persons. For emergency shelters, the Program should clearly commit to parking requirements that do not exceed parking to accommodate all staff parking, provided those requirements do not exceed parking for the zone. The Program currently appears intended to allow parking requirements above staff parking. For group homes for seven or more persons, while the Program addresses conditional use procedures, it should also address excluding these housing types from several residential zones.

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)(9).)*

The element was not revised to address this requirement. Please see HCD's prior review.