

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

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January 30, 2023

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

Dear Wayne Morrell:

RE: Santa Fe Springs' 6th Cycle (2021-2029) Revised Draft Housing Element

Thank you for submitting the City of Santa Fe Springs' (City) revised draft housing element received for review on December 1, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from David Kellogg, pursuant to Government Code section 65585, subdivision (c).

The revised draft housing element addresses some of the statutory requirements described in HCD's May 24, 2022 review; however, in several cases, revisions were not included to address HCD's prior findings and additional revisions are necessary to fully 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.

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. Additionally, pursuant to Government Code section 65585, subdivision (b) (AB 215, Statutes of 2021), any subsequent draft revision, the local government must post the draft revisions on its website and email a link to all individuals and organizations that have previous requested notices related to local governments housing element at least seven days before resubmitting to HCD.

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 above, adopt, and submit to HCD to regain housing element compliance.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that failed to adopt a compliant housing element within one year from the statutory deadline cannot be found in compliance until rezones to make prior identified sites available or accommodate a shortfall of sites pursuant to Government Code section 65583, subdivision (c)(1)(A) and Government Code section 65583.2, subdivision (c) are completed. As this year has passed, the housing element is out of compliance and will remain out of compliance until all necessary rezonings have been completed.

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. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD is committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Shawn Danino, of our staff, at shawn.danino@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosures

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 <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> 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 note in the prior review, the element was not revised to address this requirement. In the current revised draft, the element still was not revised to address this requirement. 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). Please see HCD's prior review. HCD will also send sample analyses under separate cover.

B. Housing Needs, Resources, and Constraints

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

Disproportionate Housing Needs, Including Displacement Risk: The element was revised to include analysis regarding overpayment, overcrowding and displacement. However, the analysis should also address patterns and trends related to substandard housing conditions. The element may, for example, supplement its housing conditions map (p. 16) with information from local code enforcement officials and evaluate areas with a higher number of units in need of rehabilitation and replacement.

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

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

Suitability of Nonvacant Sites: The element now demonstrates the potential for redevelopment on nonvacant sites identified to accommodate the lower-income regional housing needs allocation (RHNA). However, the element still must analyze the extent existing uses impede additional development on sites identified to accommodate the moderate and above moderate-income RHNA. The analysis should address the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or any other indicators or turnover in use and regulatory or other incentives or standards to encourage additional residential development. The element may utilize an analysis similar to Site U-1 (Washington TOD Site) or could discuss circumstances and conditions on groupings of sites with comparable uses and relate the grouping of sites to recent redevelopment trends (Table H-25: Nonvacant and Nonresidential Redevelopment Trends).

Publicly owned Sites: The element includes a description of Site V-1 (MC and C Site), including potential development types and environmental clean-up costs but should also discuss the anticipated schedule for development, any other known barriers or relevant factors and impacts on the timing of development in the planning period. A similar analysis should be completed for Site U-8 (CHP Site) and Program 20 (State and City-owned Property) should be modified based on the outcomes of a complete analysis.

Accessory Dwelling Units (ADUs): The element was not revised to address this requirement. Please see HCD's prior review.

Electronic Sites 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.

Zoning for a Variety of Housing Types (Emergency Shelters): The element was not revised to address this requirement. Please see HCD's prior review.

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... ..and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: The element was revised to provide some analysis describing past project's use of state density bonus law to reduce parking requirements as well as discussing reductions in guest parking on a discretionary basis (p. H-35). However, the element still generally does not address this requirement. As previously stated, to address requirements related to parking, the element may, for example, assess the impact on affordability, of requiring two covered parking spaces for each multifamily unit, including studios and one-bedroom apartments. Based on the outcomes of this analysis, Program 11 (Zoning Code Revisions) should specifically commit to appropriate changes or reductions to parking requirements.

Processing and Permit Procedures: The element was revised to analyze constraints and provide some average approval times for housing projects (p. H-40). However, the element must specifically evaluate approval findings and modify Program 11 with specific commitment to modify approval findings or modify the application of the approval findings if projects are consistent with objective design and development standards.

In addition, the element should address public comments on this revised draft submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.

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).)*

The element was revised to include analysis for farmworkers, persons with disabilities, and larger households (p. H-20). However, the analysis is limited to persons with disabilities over 65 and should be broadened to include the entire population. In addition, the element should still estimate the number of persons with developmental disabilities. Finally, the element should analyze the female headed household poverty rate. Based on the outcomes of a complete analysis, the element should modify policies and programs as appropriate.

5. *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).)*

While the element was not revised to address this requirement, HCD and City staff corresponded regarding the 34 units at risk in the Villa Verde project and staff confirmed the project extended affordability for 55 years, through 2077. The element should be revised to reflect this update.

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... (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B2, 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:* Program 11 now clarifies minimum densities pursuant to Government Code section 65583.2, subdivisions (h) and (i) (p. H-112). However, as noted in the prior review, the program still must specifically commit to acreage, allowable densities, and anticipated units.
 - *Publicly owned Sites:* As noted in the prior review, Program 11 (State and City-owned Property) should commit to a schedule of actions to facilitate development such as a date for requests for proposals for both the City-owned and excess state sites. In response, the Program now commits to requests for proposals within 3 months of sites being declared surplus but provides no date for declaring the sites surplus. The Program should be revised based on the outcomes of a complete analysis as noted in Finding B2. In addition, the Program should commit to dates (e.g., by 2024) for at least coordination with developers, addressing barriers and other site preparation, assisting with funding or supporting funding applications, site disposition, requests for proposals, facilitating entitlements and issuing building permits. The Program should also include compliance with the Surplus Land Act and numerical objectives consistent with assumptions in the sites inventory.
2. *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... (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Finding B3, 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. Specifically, programs should specifically commit to reduce parking minimums and amend permit procedures based on the analysis noted in Finding B3.

3. *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... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, the element does not 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. In addition, while the element includes several meaningful actions to AFFH, it should include additional actions to enhance housing mobility and place-based strategies toward community revitalization. For example, the element should include programs to promote housing choices and affordability in relatively higher-income neighborhoods and place-based strategies in relatively lower-income neighborhoods such as improving infrastructure, streetscapes, active transportation, safe routes to school, community amenities, parks and recreational and social activities. HCD will send sample programs under separate cover.