

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

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CITY OF SANTA PAULA

AUG 25 2008

RECEIVED

August 22, 2008

Ms. Janna Minsk, Director  
Planning Department  
City of Santa Paula  
P.O. Box 569  
Santa Paula, CA 93061

Dear Ms. Minsk:

**RE: Review of the City of Santa Paula's Draft Housing Element Update**

Thank you for submitting the City of Santa Paula's draft housing element update received for review on June 11, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). The Department has also received and considered a host of third party comments from the Santa Paula Farm Worker Housing Committee, Ms. Barbara Macri-Ortiz, Cabrillo Economic Development Corporation, and California Rural Legal Assistance pursuant to Government Code Section 65585(c). The review of the draft element was facilitated by a conversation with you and your consultant, Mr. John Douglas.

The draft element addresses some statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). For example, additional information is required to demonstrate adequacy of the identified underutilized sites, along with an expanded explanation of Santa Paula's growth management provisions. The Appendix describes these and other revisions needed to comply with State housing element law.

The Department is committed to assist Santa Paula in addressing the statutory requirements of housing element law. If you have any questions or would like to schedule a meeting in Santa Paula or Sacramento, please contact Paul McDougall, of our staff, at (916) 445-5854.

Sincerely,

A handwritten signature in black ink that reads "Cathy E. Creswell". The signature is written in a cursive style.

Cathy E. Creswell <sup>for</sup>  
Deputy Director

Enclosure

cc: Wally Bobkiewicz, City Manager, City of Santa Paula  
Sonja Flores, Santa Paula Farm Worker Housing Committee  
Barbara Macri-Ortiz  
Bernardo Perez, Cabrillo Economic Development Corporation  
Eileen McCarthy, California Rural Legal Assistance

**APPENDIX**  
**CITY OF SANTA PAULA**

The following changes would bring the City of Santa Paula's housing element into compliance with Article 10.6 of the Government Code. The pertinent Government Code Section is cited for each recommended change.

Housing element technical assistance information is available on the Department's website at [www.hcd.ca.gov](http://www.hcd.ca.gov). Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, please refer to the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* at [www.hcd.ca.gov/hpd/housing\\_element/index.html](http://www.hcd.ca.gov/hpd/housing_element/index.html), the Department's publication, *Housing Element Questions and Answers (Qs & As)*, and the Government Code addressing State housing element law.

**A. 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 household (Section 65583(a)(1)).*

Extremely Low-Income: In accordance with Chapter 891, Statutes of 2006 (AB 2634), the element must quantify existing and projected extremely low-income households and analyze their housing needs. The analysis of needs should consider tenure and rates of overpayment and overcrowding. This analysis is essential to formulating policies and programs to assist in the development and conservation of housing for extremely low-income households. The element may either use available Census Data to calculate the number of extremely low-income households, or presume 50 percent of the very low-income households qualify as extremely low-income households. To assist the analysis, see the enclosed sample analysis from the *Building Blocks'* website at [http://www.hcd.ca.gov/hpd/housing\\_element/screen06\\_hn.pdf](http://www.hcd.ca.gov/hpd/housing_element/screen06_hn.pdf).

2. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Sites Inventory: Santa Paula has a regional housing need allocation (RHNA) of 2,241 housing units, of which 843 units are designated for lower-income households. To accommodate its share of the regional housing need affordable to lower-income households, the City is relying on a combination of vacant and underutilized sites, annexation of 2,100 acres (Program 16), and second unit development. To demonstrate the adequacy of the identified sites and strategies to accommodate the City's share of the RHNA, the element must include more detailed analyses, as follows:

Progress Toward the RHNA: Tables A-5i and A-5j indicate that 128 units affordable to very low- and low-income households were built since January 2006. Table B-1 indicates the City has approved another 56 units, which will also be affordable to lower-income households. It appears the units within larger projects are subject to 45-year

deed restrictions. However, the element must clearly document how the affordability was determined for the other residential units being credited towards the lower income need. The element must describe actual sales prices, rents, or information on financing or other mechanisms establishing affordability.

Annexation: Table B-3 lists 16 sites, totaling 2,100 acres, which are located within the City's sphere of influence. The element indicates annexation is necessary to address the City's adequate sites requirement (page 69). Therefore, to determine the adequacy of the proposed annexation strategy to meet the RHNA, by income category, the element must include more information about the "phased annexation plan" referenced in Program 16. At a minimum, the description of the annexation plan should include the following:

- an estimated schedule for initiating the pre-zonings and completing the annexation process;
- an estimate of what portion of the City's RHNA, by income category, will be met with annexation;
- the anticipated dwelling unit capacity allowed in the proposed areas; and
- a description of any sites in the process of annexation.

Underutilized Sites: The inventory lists several underutilized residential and non-residential sites (Table B-4 and B-5). To demonstrate the adequacy of these sites to accommodate a portion of its share of the RHNA, the element must describe existing uses, and address the extent to which these uses may impede additional (more intensive) residential development, along with a description of development trends, market conditions, and regulatory incentives and standards that will facilitate redevelopment or reuse. Please refer to the sample analysis on the *Building Blocks*' website at [http://www.hcd.ca.gov/hpd/housing\\_element/screen18\\_non\\_vac.pdf](http://www.hcd.ca.gov/hpd/housing_element/screen18_non_vac.pdf).

Mixed-Use: The inventory also lists vacant and non-vacant commercial sites with mixed-use potential (page B-14). However, analysis is necessary to demonstrate their feasibility for development and realistic capacity in the planning period. The analysis must describe the extent to which uses other than residential are allowed on mixed-use designated sites along with the City's role in ensuring these sites can realistically accommodate new residential development, particularly multifamily rental development. For example, the element should describe the City's experience in encouraging and facilitating the development of mixed-use designated sites with projects affordable to lower-income households. For nonvacant sites, the element must also include an analysis of current market conditions, financial feasibility of density to deliver affordable units, and a description or menu of the incentives the City will offer to encourage the development of identified mixed-use sites.

Small Sites: Many of the sites listed in inventory are small (less than 0.5 acre). Therefore, the element must include an analysis that demonstrates the identified sites can realistically accommodate new residential development, particularly new multifamily rental development. The element should evaluate development trends and include information on policies or incentives to continue to facilitate small lot development. This analysis is particularly important given the dependence on the small underutilized sites to accommodate the City's remaining share of the regional housing need for

lower-income households and the necessary economies of scale to facilitate development of housing affordable to lower-income households. For example, assisted housing developments utilizing State or federal financial resources typically include 50-80 units.

Realistic Capacity: The buildout projections listed in the various sites inventory tables (B-1 through B-5) appear to be based on the maximum allowable density but the element does not describe the methodology. The element must demonstrate the capacity estimates account for mixed-use and planned unit standards, required site improvements, and development standards such as height limits, floor area ratio, sliding scale maximum density requirements based on lot sizes (page 34). The estimate of residential capacity on the identified mixed-use sites (Table B-5) must consider the potential development of nonresidential uses. The analysis could utilize recently built densities to address this requirement.

Appropriate Density: Pursuant to Section 65583.2(c)(3)(A) and (B), the element must identify and analyze zoning and densities appropriate to encourage and facilitate the development of housing for lower-income households. For communities with densities that meet specific standards (at least 20 units per acre for Santa Paula), this analysis is not required (Section 65583.2(c)(3)(B)). With the exception of the underutilized sites and vacant residential sites 46-48, the inventory identifies sites with maximum densities of less than 20 dwelling unit per acre. As a result, the element must include a detailed analysis to demonstrate how the zoning encourages the development of units affordable for lower-income households. This analysis must be based on factors such as market demand, financial feasibility and development experience within zones.

Zoning for a Variety of Housing Types: The element must include a detailed analysis identifying zoning districts available to encourage and facilitate a variety of housing types including emergency shelters, transitional housing, and agricultural employee housing. Also, pursuant to recently enacted legislation (Chapter 891, Statutes of 2006), the element must identify zoning to encourage and facilitate single-room occupancy units (SRO) and supportive housing. The element did not include the requisite analysis that demonstrates sites/zones are available for these housing types. An adequate analysis should, at minimum, identify whether zoning districts are explicitly available, analyze zoning, development standards, permit procedure and standard conditions of approval and demonstrate suitable and available capacity within those zones. If the analysis does not demonstrate adequate zoning for these uses, the element must add or strengthen programs to provide appropriate zoning.

- Emergency Shelters: The element includes Program 17 which commits the City to amend the zoning code to permit emergency shelters “consistent” with the provisions of Chapter 633, Statutes of 2007 (SB 2). In conjunction with the City’s program strategy, the element must also identify the zone(s) being considered for emergency shelters and demonstrate sufficient capacity in these zone(s) to accommodate the need for emergency shelters, including sufficient capacity for at least one emergency shelter (year-round). For further information, please see the Department’s memo at [http://www.hcd.ca.gov/hpd/sb2\\_memo050708.pdf](http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf).

- Transitional Housing: According to the element, transitional housing is subject to the conditional use permit (CUP) process in the R-3 and R-4 zones (page 47). SB 2 requires permitting transitional housing as a residential use and is only subject to those restrictions that apply to other residential uses of the same type in the same zone.
  - SROs: While the element indicates SROs are conditionally permitted in the R-4 zone, it does not demonstrate how the City's permit processing procedures, development standards, and standard conditions of approval help to encourage and facilitate the development of SROs.
  - Farmworker Housing: The element indicates the agricultural industry in Ventura County continues to grow (page 25). Yet the element indicates that housing for farmworkers is conditionally permitted in only three zones (R-4, Commercial/Light Industrial, and Light Industrial). The element should be expanded to describe the City's review and approval process, analyze the impact of the CUP process on the development of housing for farmworkers and their families and demonstrate zoning to encourage housing for farmworkers, including consistency with the Employee Housing Act (Health and Safety Code Section 17021.5 and 17021.6). For example, the element could describe typical permit processing timelines, special findings, and/or conditions of approval. Depending on the results of the analysis, the element may need to include a program action to mitigate and/or remove any identified constraints.
  - Supportive Housing: The element should describe which zones permit supportive housing and describe how the City's permitting and regulatory processes help encourage and facilitate the development of supportive housing. The element should demonstrate that supportive housing is subject only to the same permitting processes as other housing in the subject zone (e.g., multifamily housing), and without undue special regulatory requirements.
3. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels and persons with disabilities, including fees and other exactions required of developers (Section 65583(a)(4)).*

Inclusionary Housing: The draft element indicates the City adopted a new inclusionary housing ordinance in 2005 (page 49). While the element describes the affordability thresholds and construction and in-lieu options, the element should be expanded to include a more specific analysis of the program's implementation framework and procedures. For example, the element should clearly describe how the City will mitigate potential development constraints, with a focus on market-rate housing, and what specific role and assistance the County will provide to assist developers comply with the requirements of the ordinance. For example, what specific economic incentives or concessions does the City offer to encourage and facilitate compliance with the inclusionary requirements and to ensure the requirements do not act to constrain overall housing supply?

Growth Management Ordinance (GMO): The element indicates that pursuant to the GMO, 1,909 residential unit allocations are available; less than the City's share of the RHNA (page 42). This growth management ordinance poses a governmental constraint that must be analyzed and mitigated including evaluating its impacts on cost, approval certainty and affordability of housing, particularly multifamily rental housing. The element should describe the process for determining annual allocations, the process for securing an allocation, and any exceptions (or concessions) offered for projects containing affordable units. The element should also indicate whether the rollover allocations expire.

Measure L6: This Measure, approved in 2006, subjects land-use projects that propose increases in density or intensity, or are 81 acres in size or larger to voter approval. The element must be expanded to include a more detailed description and evaluation of the Measure's impacts on the cost and supply of new housing, particularly housing affordable to lower-income households. The element should indicate if any recent projects were subjected to the voter approval process and whether there are any sites in the inventory that would trigger the voter approval requirement. Also, the element should indicate whether Measure L6 contains any exception provisions that would apply to housing needed to accommodate the City's share of the RHNA, for all income levels.

Requiring general plan amendments to be decided on by the local electorate is costly and could result in significant fiscal impacts to individual development projects. The element should estimate a minimum prospective cost of such an election and clarify if a project applicant is 100 percent responsible for election costs and explain the methodology for determining these costs. Also, pursuant to Government Code Section 65583(c)(3), the element must include a program action that specifically addresses, and where appropriate, removes any identified residential development constraints associated with Measure L6.

Land-Use Controls: While the element identifies various development standards (page 44), it should also analyze these standards for their potential impact on the cost and supply of housing and the ability to achieve maximum densities. This analysis should specifically address the potential impact of height limits in multifamily zones.

Housing for Persons with Disabilities: The element indicates residential care homes for seven or more are subject to the approval of a use permit in the R-2 through R-4 zones and three commercial zones (C-O, CBD, and C-G). However, the element must be expanded to include an analysis of zoning, development standards and approval procedures for the development of housing for persons with disabilities. At a minimum, the element should identify and analyze: (1) any definitions of family in the zoning code; (2) maximum concentration requirements for residential care facilities; (3) any site planning requirements that may constrain housing for persons with disabilities; and (4) any parking requirements for housing for persons with disabilities. The element must include programs to address any identified constraints. Refer to the *Building Blocks*' website for sample analysis at [http://www.hcd.ca.gov/hpd/housing\\_element/screen27\\_sb520.pdf](http://www.hcd.ca.gov/hpd/housing_element/screen27_sb520.pdf).

On/Off-Site Improvements: The element did not address this statutory requirement. The element must analyze and assess on/off-site improvement requirements for their impact on the cost and supply of housing.

4. *Analyze potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction ( Section 65583(a)(6).*

Land and Construction Costs: While the element acknowledges high land and construction costs impact the affordability of housing, the element does not include information on these factors. The element should be expanded to include an estimate and analysis of land and construction costs as they apply to both single- and multi-family development. Refer to the *Building Blocks'* website for sample analysis at [http://www.hcd.ca.gov/hpd/housing\\_element/screen28\\_constraints.pdf](http://www.hcd.ca.gov/hpd/housing_element/screen28_constraints.pdf)

5. *Analyze opportunities for energy conservation with respect to residential development (Section 65583(a)(7)).*

The element (page 39) generally discusses State "energy budget" standards and the County's regional efforts to develop and conserve energy resources (i.e., the Ventura County Regional Energy Alliance (VCREA)). However, the element did not analyze or describe opportunities within Santa Paula to implement energy conservation techniques as part of the residential development process. Given the importance of promoting land-use and housing strategies to address climate change and energy conservation, the element should facilitate adoption of housing and land-use policies and programs that meet housing and energy conservation objectives.

The element generally discusses energy conservation concepts, and the City's recently adopted Energy Management and Action Plan (Energy MAP). The Department recognizes the City for its public outreach and education efforts, one of the key components in the Energy MAP. However, the element still must analyze the opportunities for energy conservation with respect to residential development. Given the importance of promoting land-use and housing strategies to address climate change and energy conservation, the element should discuss how the City will take proactive steps to incorporate the identified components of the Energy MAP, as well as the conservation programs identified in the Land Use, Air Quality and Conservation elements into the housing element in the form of energy conservation programs and policies.

Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters. For example, the element could include a program that commits the City to offering incentives that promote higher density housing along transit, encourage green building techniques and materials in new and resale homes, promote energy audits and participation in utility programs, and facilitate energy conserving retrofits upon resale of homes.

Additional information on potential policies and programs to address energy conservation objectives is available in the *Building Blocks'* technical assistance tool, including a link to the Department's publication *Green Building and Sustainability Resources*, at [http://www.hcd.ca.gov/hpd/housing\\_element/screen12\\_conservation.pdf](http://www.hcd.ca.gov/hpd/housing_element/screen12_conservation.pdf).

6. *Analyze any special housing needs, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter (Section 65583(a)(7)).*

While the element includes data for the six special housing need groups, a more thorough analysis of the housing needs of all special needs groups is necessary. In addition to the quantifying each special needs group the element must include the following:

- A qualitative description of the need, including a description of the potential housing problems faced by the special needs groups, a description of any existing resources or programs, and an assessment of unmet needs.

This analysis of special needs housing will assist the City in identifying any unmet housing need and whether there is a need for new or expanded program responses. For assistance please refer to the sample special housing needs analysis in the *Building Blocks*' website at [http://www.hcd.ca.gov/hpd/housing\\_element/index.html](http://www.hcd.ca.gov/hpd/housing_element/index.html).

## **B. Housing Programs**

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by-right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in the finding A2, the element requires revision to demonstrate adequate sites, particularly for lower-income households. Based on the results of a complete sites inventory and analysis, the City may need to add or strengthen programs to address a shortfall of sites and zoning for a variety of housing types, particularly by-right multifamily rental development on the sites designated for mixed-use.

Specifically, the City must allow owner-occupied and rental multifamily uses by-right sufficient to accommodate the remaining need for lower-income households. By-right, pursuant to 65583.2(i) means local government review must not require a CUP, planned unit development or other discretionary review or approval and:

- a minimum of 16 units per site;
- a minimum density of 20 units per acre; and
- at least 50 percent of the lower-income needs to be accommodated on sites designated for residential use only.

The following programs must be added or strengthened:

Program 16: If the City must rely on sites that require annexation to meet a portion of its regional housing need, this program must include specific timelines for annexation, information regarding rezoning, and permit owner-occupied and rental multifamily uses by-right during the planning period.

Program 17 (Emergency Shelters, Transitional Housing, and Farmworker Housing): Pursuant to the requirements of SB 2, this program must ensure the zoning code will be amended to permit transitional and supportive housing as residential uses and only subject to those restrictions that apply to other residential uses of the same type in the same zone. Further, as noted in finding A2, the element should identify the zone(s) being considered to permit emergency shelters by-right and ensure shelters are only subject to the same development and management standards that apply to residential or commercial uses within the identified zone.

2. *Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households (Section 65583(c)(2)).*

Funding: Success of many of the City's homeownership, rental assistance and rehabilitation, and mobilehome ownership and mobilehome park improvement programs (Programs 1, 2, 4, 5, 6, 7 and 8) is dependant on the City's successful procurement of local, State, and federal funding. Therefore and especially given the lack of progress in the previous planning period, these program actions should be strengthened to describe the City's specific role in preparing and assisting with funding applications (e.g., preparing pro forma analyses and/or providing prospective applicants with demographic information). In addition, include specific application timelines and indicate how the City will promote the availability of housing assistance funds to lower- and moderate-income households (i.e., newsletter, brochure, or web page). If promotional materials need to be prepared, provide a timeline as to when they will be completed and made available.

Infill Housing Incentives – Program 18 committed to establish various incentives and concessions to promote infill development. The element notes (page A-4) the City's Density Bonus Ordinance provides infill incentives. While complying with State law to promote the financial feasibility of development affordable to lower-income households through density bonuses, concessions and incentives is critical, the element provides no evaluation of whether the City's density bonus ordinance is effective in promoting infill development nor any appropriate changes in programs or policies. Given this apparent lack of effectiveness and progress in promoting infill housing, the element should add or strengthen programs and policies with specific actions to establish effective incentives and concessions and other mechanisms to promote infill development.

3. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding A.3, the element requires a more detailed analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to strengthen or add programs and address and remove or mitigate any identified constraints.

Also, as noted under finding A.3, the element must include a program action that specifically addresses, and where appropriate, removes any identified residential development constraints associated with Measure L6 and strengthen Program 14, as follows:

Program 14: At a minimum, this program should include a monitoring component that commits the City to conducting an evaluation of the impacts of on an annual basis. If monitoring of the inclusionary program reveals the cost and supply of market-rate housing is being impacted, this program should be expanded to include an action item that commits the City to processing amendments/adjustments in a timely manner.

4. *The housing program shall promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin color, familial status or disability (Section 65583(c)(5)).*

Program 18: In addition to working with the Fair Housing of the San Gabriel Valley, this program should be strengthened to describe other proactive methods the City will employ to promote equal housing opportunities, in particular multi-lingual outreach, newsletter, brochure, and/or website).

### **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 (Section 65583(c)).*

While the element includes a general summary covering the public participation process (page 3), more information is needed to demonstrate how the City has or will make a diligent effort to achieve the involvement all economic segments of the community, through the adoption process. The element should be revised to specifically describe the City's efforts to circulate the housing element among low- and moderate-income households and organizations that represent them, along with how the City involved such groups in the development of the element. For example, the element should describe in greater detail the City's efforts to engage and educate non-English speaking residents about the housing element and list what housing and service providers were provided advance notice about the workshops and public hearings. During the period between this draft element and the adoption of the final housing element, the City should directly involve lower-income individuals and/or their representatives in the development of the final element.