

Frequently Asked Questions

Santa Paula 2021-2029 Housing Element Update

1. What is a Housing Element?

State law¹ requires each city to adopt a comprehensive, long-term General Plan for its physical development. General Plans include several “elements” that address various topics. The Santa Paula General Plan² was comprehensively amended in 2020 and is organized into the following elements:

- Land Use
- Circulation and Mobility
- Environmental and Cultural Resources
- Hazards and Public Safety
- Public Services and Utilities
- Economic Development and Downtown
- Housing

The Housing Element establishes goals, policies, and actions to maintain and improve the existing housing stock and expand housing opportunities for families of all economic levels and those with special needs such as farmworkers and persons with disabilities.

Most components of the General Plan have a “horizon year” of 2040; however, State law requires that the Housing Element be updated every 8 years. Housing Element planning periods are sometimes referred to as “cycles”. The City’s current Housing Element covers the planning period extending from 2013 to 2021, which is referred to as the “5th Housing Element cycle” in reference to the five required updates that have occurred since a major revision to State Housing Element law in 1980. Every city in the Southern California Association of Governments (“SCAG”) region³ is required to prepare a Housing Element update for the 6th planning cycle, which spans the 2021-2029 period, regardless of when the other elements of the General Plan were adopted.

State law⁴ establishes detailed requirements for Housing Elements, which are summarized in California Government Code Section 65583:

The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobile homes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

¹ California Government Code Sec. 65300 *et seq.*

² <https://spcity.org/213/Long-Range-Planning-Special-Studies>

³ The SCAG region includes Los Angeles, Orange, Riverside, San Bernardino, Ventura and Imperial counties.

⁴ California Government Code Sec. 65580 *et seq.*



2. What are the most important issues that must be addressed in the Housing Element?

The major issues that must be addressed in the Housing Element are: 1) how City policies, plans and regulations help to meet the region's housing needs for people at all income levels; and 2) how City land use regulations accommodate the special housing needs of persons with disabilities or other difficulties.

- **Accommodating Regional Housing Needs.** Every community is dependent on a variety of low- and moderate-income workers in jobs such as child and elder care, medical support, business and personal services, retail trade, agriculture, construction and property maintenance. While Federal and State programs provide funding assistance for affordable housing, city plans and regulations determine the type and location of new housing that can be built. Therefore, a sufficient supply of affordable housing is dependent on both housing subsidies and city development regulations.

Under State law⁵ all cities are required to plan for additional housing to accommodate population growth and existing housing problems such as overcrowding and high housing cost. State law recognizes that most housing is built by private developers, not cities. However, cities are required to adopt policies, plans, and development regulations to encourage a variety of housing types that are affordable for persons at all income levels, including multi-family rental housing and accessory dwelling units ("ADUs"). The Regional Housing Needs Assessment ("RHNA") is the method by which each jurisdiction's share of new housing needs is determined (see #4 below).

- **Housing for Persons with Special Needs.** Under State law⁶ cities must also ensure that their plans and regulations encourage the provision of housing for persons with special needs including:
 - ✓ Reasonable accommodation for persons with disabilities
 - ✓ Transitional housing
 - ✓ Supportive housing
 - ✓ Residential care facilities
 - ✓ Emergency shelters and "navigation centers"
 - ✓ Large (5+) families
 - ✓ Farmworker housing

3. What is "affordable" housing?

By definition, housing is usually considered "affordable" when total housing cost, including utilities, is no more than 30% of a household's gross income. State law describes five income categories, which are based on county median income as shown in Table 1.

⁵ California Government Code Sec. 65583

⁶ California Government Code Sec. 65583(a)(5)



Table 1. Household Income Categories

| Income Category | % of county median income |
|-----------------|---------------------------|
| Extremely low | Up to 30% |
| Very low | 31-50% |
| Low | 51-80% |
| Moderate | 81-120% |
| Above moderate | Over 120% |

Source: California Government Code Sec. 65584(f)

Affordable housing costs for all jurisdictions in Ventura County that correspond to these income categories are shown in the following table. Affordability figures are adjusted each year and are based on family size. Table 2 provides figures for a 4-person family in 2021.

Table 2. Income Categories and Affordable Housing Costs – Ventura County

| Income Category | Maximum Income | Maximum Affordable Rent | Maximum Affordable Price (est.) |
|-----------------|----------------|-------------------------|---------------------------------|
| Extremely low | \$33,850 | \$845 | * |
| Very low | \$56,450 | \$1,411 | * |
| Low | \$90,350 | \$2,259 | * |
| Moderate | \$118,550 | \$2,964 | \$500,000 |
| Above moderate | Over \$118,550 | Over \$2,964 | Over \$500,000 |

Assumptions:

- Based on a family of 4 and 2021 State income limits
- 30% of gross income for rent or principal, interest, taxes & insurance plus utility allowance
- 10% down payment, 3.75% interest, 1.25% taxes & insurance, \$300 HOA dues
- * For-sale affordable housing is typically at the moderate-income level

Source: Cal. HCD; JHD Planning LLC

4. What is the RHNA why is it important?

Each California city is required to plan for new housing to accommodate a share of regional needs. The Regional Housing Needs Assessment (“RHNA”) is the process established in State law⁷ by which each city’s housing needs are assigned.

Prior to each Housing Element planning cycle the region’s total housing need is determined by the California Department of Housing and Community Development (“HCD”) based upon economic and demographic trends, existing housing problems such as overcrowding and overpayment, and additional housing needed to ensure reasonable vacancy rates and replace units lost due to demolition or natural disasters. The total housing need for the region is then distributed to cities and counties by SCAG based upon criteria established in State law.⁸

In 2019 HCD determined that the total new housing need for the entire SCAG region in the 6th Housing Element cycle is 1,341,827 units. SCAG then prepares a RHNA plan that fully allocates the total RHNA to jurisdictions in the SCAG region.⁹ Table 3 shows the

⁷ California Government Code Sec. 65584 et seq.

⁸ California Government Code Sec. 65584(d)

⁹ <https://scag.ca.gov/housing>



RHNA allocations for Santa Paula, Ventura County, and the entire SCAG region. SCAG adopted the final RHNA plan in March 2022.

Table 3. 6th Cycle RHNA – Santa Paula, Ventura County and SCAG Region

| | Santa Paula | Ventura County | SCAG Region |
|---|-------------|----------------|-------------|
| RHNA allocation 2021-2029 (housing units) | 657 | 24,452 | 1,341,827 |

Source: SCAG, 3/4/2021

The RHNA distributes each jurisdiction’s total housing need by the income categories shown in Tables 1 and 2 above (the extremely-low and very-low categories are combined for RHNA purposes). The 6th cycle RHNA allocation for Santa Paula by income category is shown in Table 4.

Table 4. 6th Cycle RHNA by Income Category – Santa Paula

| Very Low | Low | Moderate | Above Moderate | Total |
|----------|-----|----------|----------------|-------|
| 102 | 99 | 121 | 335 | 657 |

Source: SCAG, 3/4/2021

5. Is the RHNA a construction quota or mandate?

The RHNA allocation identifies the amount of additional housing a jurisdiction would require in order to have enough housing at all price levels to fully meet the needs of its existing population plus its assigned share of projected growth over the next 8 years while avoiding problems like overcrowding and overpayment. The RHNA is a planning requirement that determines housing need, *not a construction quota or mandate*. Jurisdictions are not required to build housing or issue permits to achieve their RHNA allocations, but some provisions of State law establish specific requirements when housing production falls short of RHNA allocations. One such requirement is streamlined review and approval of housing development applications that meet specific standards.¹⁰ Other than requirements for streamlined permit processing, there are currently no legal or financial penalties imposed on cities that do not achieve their RHNA allocations.

6. What must cities do to comply with the RHNA?

Each Housing Element update must analyze the city’s capacity for additional housing based on an evaluation of land use patterns, development regulations, development constraints (such as infrastructure availability and environmental conditions) and real estate market factors. The analysis must be prepared at a parcel-specific level of detail and identify properties (or “sites”) where additional housing could be built consistent with current regulations. This evaluation is referred to as the “sites analysis” and State law requires the analysis to demonstrate that the city has adequate capacity to fully accommodate its RHNA allocation in each income category. If the sites analysis does not demonstrate that adequate capacity exists to fully accommodate the RHNA, the Housing Element must describe what steps will be taken to increase capacity commensurate with the RHNA – typically through amendments to land use and zoning regulations that could facilitate additional housing development.

¹⁰ California Government Code Sec. 65913.4 (SB 35 of 2017)



7. How does Santa Paula propose to accommodate its RHNA allocation and remain in compliance with State housing law?

The Housing Element must include an analysis of potential capacity for additional housing based on land use plans and development regulations, and determine whether sufficient capacity is available to accommodate the RHNA allocation in all income categories. Capacity for additional housing can be provided either through new housing or mixed-use development or through accessory dwelling units (“ADUs”).

The City’s preliminary analysis indicates that capacity for additional housing based on current land use regulations is sufficient to fully accommodate the City’s RHNA allocation. Significant opportunities for new housing exist in areas zoned for residential development as well as in areas where a mix of residential, commercial and/or light industrial uses are allowed. Under State law, properties that are zoned to allow residential or mixed-use development at a density of at least 20 units/acre are considered appropriate to facilitate production of affordable housing. ADUs will also provide a portion of future housing need, particularly in the low- and moderate-income categories.

As part of the Housing Element update, the City will evaluate the potential for new housing development at a parcel-specific level of detail to confirm that existing plans and regulations provide adequate capacity to accommodate the RHNA allocation.

8. Housing development is very expensive in the urban areas of Southern California. How can Santa Paula meet its affordable housing needs?

Housing development is very expensive in Southern California, and housing that is affordable to low- and moderate-income families typically requires large financial subsidies. While State housing law is based on the premise that every city has an obligation to use its governmental powers to encourage housing development at all income levels, it is recognized that the City’s financial resources alone are not sufficient to produce all of the affordable housing needed. Major funding sources for affordable housing include Low Income Housing Tax Credits (“LIHTC”) and other Federal housing programs, State housing bonds, and private charitable foundations. While cities typically do not have the resources to provide significant financial assistance to housing developments, they can support affordable housing through programs that reduce development cost such as density bonuses, modified development standards and streamlined permit review.

9. What is “certification” of the Housing Element and why is it important?

The State Legislature has delegated authority to the California Department of Housing and Community Development (“HCD”) to review Housing Elements and issue findings regarding the elements’ compliance with the law.¹¹ When HCD issues a finding that the Housing Element is in substantial compliance with State law it is referred to as

¹¹ California Government Code Sec. 65585



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“certification” of the Housing Element. In 2013 HCD determined that Santa Paula’s current Housing Element was in full compliance with State law. The City is now preparing a Housing Element update for the 2021-2029 period.

Housing Element certification is important for two main reasons:

- **Local control.** The General Plan provides the foundation for the City’s land use plans and zoning regulations, and the Housing Element is part of the General Plan. If the City were challenged in court on a planning or zoning matter and the Housing Element were found by the court to be out of compliance, the court could order changes to City land use plans or regulations and assume control over some City land use decisions. HCD certification establishes a “rebuttable presumption of validity”¹² that the Housing Element is in compliance with State law, which would support the City’s legal defense. Recent laws also allow for courts to impose fines if a jurisdiction fails to adopt a compliant Housing Element.¹³
- **Eligibility for grant funds.** Some State grant funds are contingent upon Housing Element certification.

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¹² California Government Code Sec. 65589.3.

¹³ AB 101 of 2019