

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

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November 29, 2023

Lori Ann Farrell Harrison, City Manager
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

Dear Lori Ann Farrell Harrison:

RE: Group Home Ordinances – Letter of Technical Assistance

In the attached May 9, 2023, findings letter, the California Department of Housing and Community Development (HCD) offered to provide additional technical assistance regarding, among other things, implementation of Costa Mesa's (City) 6th cycle housing element programs to review its group home and related policies. This letter provides that technical assistance for the City's review of its group home ordinances, including Ordinance Nos. 14-13, 15-11, and 17-05, which amended Title 13 of the City's Municipal Code (MC 13), as well as related City policies, such as its reasonable accommodations procedures.

HCD has reviewed the City's group home ordinances and related policies under its authority pursuant to Government Code section 65585, which includes authority to review cities' compliance with the Land Use Discrimination Law (Gov. Code, § 65008), Affirmatively Furthering Fair Housing (AFFH) Law (Gov. Code, §§ 8899.50, 65583), and State Housing Element Law (Gov. Code, § 65580 et seq.). HCD finds that the City's group home ordinances and related policies violate Government Code sections 65008, 65583, and 8899.50 by failing to meet the City's obligations to affirmatively further, protect, and remove constraints on housing for persons with disabilities, and also by discriminating against this housing.

To comply with state law, the City must, among other things, immediately stop enforcing its group home ordinances, repeal them, and revise its reasonable accommodations policies. These actions are also necessary to timely and effectively implement the programs in the 6th cycle housing element that the City adopted on November 15, 2022, which are required for the City's housing element to substantially comply with State Housing Element Law. These include Program 2J (Transitional and Supportive Housing), 2N (Reasonable Accommodation), Program 2O (Definition of Single Housekeeping Unit), Program 2P (Group Homes), and 4A (Fair Housing).

Definitions

Various laws use the term “group homes” to refer to different types of housing for different populations. For the purposes of state fair housing and planning and zoning laws, the following terms refer to various types of residences in which unrelated persons share the residence:

- **Shared Living Residences**—any housing shared by unrelated persons, including, for example, group homes, recovery residences, some community care residential facilities, some supportive and transitional housing, emergency shelters, boardinghouses, and dormitories.
- **Group Homes**—housing shared by unrelated persons with disabilities that provide peer and other support for their residents’ disability-related needs and in which residents share cooking, dining, and living areas, and may, in some group homes, participate in cooking, housekeeping, and other communal living activities and that do not provide services that require licenses under state law.
- **Licensed Facilities**—shared living residences that provide services that require licenses under state law.
- **Recovery Residences or Sober Living Homes**—group homes for persons recovering from alcoholism or drug addiction in which the residents mutually support each other's recovery and sobriety and that do not require state licenses because they do not provide alcoholism or drug addiction recovery and treatment services.¹
- **Alcohol or Other Drug (AOD) Facilities**—residential facilities that must obtain state licenses because they provide alcoholism or drug addiction recovery and treatment services.

¹ Individuals recovering from alcoholism or addiction are recognized as people with disabilities (see Gov. Code, § 12926, subd. (j)), and “sober living homes and other dwellings intended for occupancy by persons recovering from alcoholism and drug addiction are protected from illegal discrimination against the disabled.” *SoCal Recovery, LLC v. City of Costa Mesa* (“*SoCal Recovery*”) (9th Cir. 2023) 56 F.4th 802, 814.

Statutory Background

Land Use Discrimination Law

California's Planning and Zoning Law (Gov. Code, § 65000 et seq.) prohibits jurisdictions from engaging in discriminatory land use and planning activities. Specifically, Government Code section 65008, subdivision (a)(1), deems any action taken by a city to be null and void if it denies an individual or group of individuals the enjoyment of residence, landownership, tenancy, or any other land use in the state due to illegal discrimination. Section 65008 prohibits discrimination based on any characteristic, including disabilities, protected by other state or federal laws, while adding its own prohibitions of discrimination against individuals or households who have very low, low, moderate, or middle incomes.² The law further recites multiple categories of actions that are determined to be discriminatory, including enactment or administration of ordinances that prohibit or discriminate based on a protected characteristic³ and imposition of requirements on a residential use for persons with protected characteristics that are not generally imposed upon other residential uses.⁴

AFFH Law

Government Code section 8899.50 requires all California public agencies, including cities, "to administer their programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and take no action that is materially inconsistent with [this] obligation"⁵ AFFH means:

taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.⁶

Moreover, the "duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development."⁷

² Gov. Code, § 65008, subs. (a)(1)(A), (b)(1)(B)-(C), (2)(B), (3).

³ *Id.* at subd. (b)(1)(B).

⁴ *Id.* at subd. (d)(2)(A).

⁵ Gov. Code, § 8899.50, subs. (a)(2)(B), (b)(1), (2).

⁶ *Id.* at subd. (a)(1).

⁷ *Id.*

Housing Element Law

In addition to the general AFFH requirements in Government Code section 8899.50, State Housing Element Law includes more specific AFFH requirements for cities. Government Code section 65583 requires cities to thoroughly analyze fair housing issues related to housing for people with disabilities and set forth a program of actions that protect and promote such housing. Through their housing elements, cities must “remove governmental constraints that hinder . . . meeting the need for housing for persons with disabilities,” which requires “remov[ing] constraints to, and provid[ing] reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.”⁸ Section 65583 also requires cities to “promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities all persons regardless of . . . disability” or “other protected characteristics.”⁹ And cities’ housing elements must include a fair housing assessment with specific goals, implementation strategies, and “metrics and milestones” for evaluating results.¹⁰ In complying with these AFFH duties, cities are required to analyze data and set measurable objectives and milestones.¹¹

Resource Materials

In revising its policies, amending its ordinances, and implementing its housing element programs, the City should consider HCD’s Group Home Technical Advisory (Group Home TA)¹² and its AFFH Guidance Memorandum (AFFH Memo).¹³ The City should also consider, among other things, the analysis in the amicus brief that HCD and CRD filed in the pending appeal in *The Ohio House, LLC v. City of Costa Mesa*, 9th Cir. Case No. 22-56181, Docket No. 25-2 (Amicus Brief). The guidance documents and Amicus Brief discuss relevant statutes, regulations, and case law, as well as HCD’s and other government agencies’ earlier guidance documents, academic papers, and demographic and statistical analyses.

⁸ Gov. Code, § 65583, subds. (a)(6), (c)(3).

⁹ *Id.* at subd. (c)(5).

¹⁰ *Id.* at subd. (c)(10)(A)(iv).

¹¹ See, e.g., Gov. Code, § 65583, subds. (a)(5), (a)(7), (b)(1), (c)(10)(A)(ii).

¹² Available at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/group-home-technical-advisory-2022.pdf>.

¹³ Available at https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf.

Findings

HCD's findings include, but are not necessarily limited to, those described below.

Permitting Requirements

Ordinance Nos. 14-13, 15-11, and 17-05 establish permitting requirements for group homes.

- MC 13-311(a) requires a special use permit for unpermitted group homes of six or fewer occupants located in R1 (single-family) zones and prohibits group homes with seven or more occupants in these zones.
- MC Title 9, Chapter II, Article 23, 9-372 requires group homes of six or less to apply for an operator's permit, regardless of licensure status.
- MC 13-322 requires a Conditional Use Permit (CUP) for group homes of six or less in R2-MD, R2-HD and R3 residential zones and the PDR-LD, PDR-MD, PDR-HD, PDR-NCM, PDC, and PDI (Planned Development Zones) Zones.
- MC 13-323 requires a CUP for group homes in the R2-MD, R2-HD and R3 residential zones and the PDR-LD, PDR-MD, PDR-HD, PDR-NCM, PDC, and PDI (Planned Development Zones) with seven or more occupants.

The City's permitting requirements for group homes and its application and enforcement of these requirements violate Government Code sections 65008, 65583, and 8899.50 by, among other things, discriminating against housing for persons with disabilities, constraining and failing to promote this housing, and restricting the fair housing choices of persons with disabilities (their right to housing of their choice and the housing they find most suitable for their disability-related needs).

The ordinances do not impose similar restrictions on other dwellings located in the zones listed above. The discriminatory effects and constraints these permitting requirements impose on group homes are evident through, among other things, the City's own data showing how severely the permitting requirements have curtailed group homes in Costa Mesa. And there are considerable other discriminatory effects, including, and among other things, the costs and burdens imposed on group homes, the displacement of persons with disabilities from housing of their choice and the disruptions of their lives, and the City's efforts to deter new group homes from opening in Costa Mesa.¹⁴

¹⁴ See, e.g., Amicus Brief at pp. 27-28; *SoCal Recovery, supra*, 56 F.4th at p. 806 (finding that Costa Mesa engaged in "an explicit effort to reduce the number of sober living homes operating within the City.").

Furthermore, the City should not continue attempting to justify its group home restrictions by comparing them to its treatment of boardinghouses. Group homes are designed to provide communal living environments with peer and other support for their occupants' disability-related needs and to help integrate their residents into local communities. Boardinghouses do not serve these same goals. Government Code sections 65008, 65882, and 8899.50 also impose specific and unique duties on cities to affirmatively promote and protect housing for persons with disabilities that do not similarly apply to all boardinghouses.

The overall problems with the City's permitting system require the City to immediately stop enforcing its group home ordinances and repeal them. To provide additional guidance, this letter discusses below further examples of how specific provisions in these ordinances conflict with the City's duties under Government Code sections 65008, 65583, and 8899.50.

Definition of Single Housekeeping Unit

MC 13-06 defines a single housekeeping unit as follows:

- Single housekeeping unit. The occupants of a dwelling unit have established ties and familiarity with each other, jointly use common areas, interact with each other, share meals, household activities, and expenses and responsibilities; membership in the single housekeeping unit is fairly stable as opposed to transient, members have some control over who becomes a member of the household, and the residential activities of the household are conducted on a nonprofit basis. There is a rebuttable presumption that integral facilities do not constitute single housekeeping units. Additional indicia that a household is not operating as a single housekeeping unit include, but are not limited to: the occupants do not share a lease agreement or ownership of the property; members of the household have separate, private entrances from other members; members of the household have locks on their bedroom doors; members of the household have separate food storage facilities, such as separate refrigerators.

HCD encourages the City to review pages 24-25 of the HCD Group Home Technical Advisory for policies to avoid when creating a definition of a single housekeeping unit. These problematic policies include requiring all residents to share a common lease or deed, excluding for-profit group homes and overly scrutinizing living arrangements (e.g., not allowing for locks on rooms or having separate entrances).

Lack of Grandfathering

Typically, when a zoning code changes, preexisting, nonconforming uses are “grandfathered” in and allowed to continue operating under the requirements that were in place before the amendments.¹⁵ Costa Mesa’s zoning code follows this well-established practice by allowing preexisting, nonconforming residential uses to continue operating unless they are abandoned, the dwellings they are in are declared physically unsafe, or the owner proposes structural alterations. (MC 13-203(b), 13-204.) But the City departs both from general grandfathering practices and its own grandfathering code provisions by requiring preexisting group homes to apply for permits in the same fashion as new ones to remain operational. (MC 13-311, 13-322, and 13-323.) This imposes discriminatory and constraining conditions on preexisting group homes, while creating displacement impacts that AFFH duties and State Housing Element Law require the City to consider and avoid.¹⁶ The City should apply its generally applicable grandfathering provisions to preexisting group homes, subject to reasonable accommodations requirements.

Occupancy Limits

The City sets special occupancy limits on group homes that prohibit group homes of seven or more occupants in R-1 single family zones, require group homes with seven or more occupants to obtain permits to operate in other zones, and require group homes with six or fewer occupants to obtain permits to operate in any residential zone. (MC 9-372, 13-311)(a), 13-322, 13-323.) This is another example of the City imposing discriminatory and constraining restrictions on group homes. Concerns about overcrowding should be addressed through applying the generally applicable occupancy limits that apply to all residences instead of singling out specific types of housing based on occupants’ disabilities.¹⁷

Costa Mesa’s ordinances appear to be based on a faulty application of Health and Safety Code statutes that allow local governments to subject licensed group homes with more than six residents to conditional use or other discretionary approval processes but require local governments to treat many types of licensed group homes with six or fewer residents the same as single-family homes and prohibit requiring these small, licensed group homes to obtain conditional use permits or other special approvals to locate in single-family zones.¹⁸ The City, however, cannot justify its restrictions on group homes

¹⁵ See, e.g., *Edmonds v. Los Angeles County* (1953) 40 Cal.2d 642, 651 (“The rights of users of property as those rights existed at the time of the adoption of a zoning ordinance are well recognized and have always been protected.”).

¹⁶ Gov. Code, § 65583, subds. (c)(10)(A)(ii), (v).

¹⁷ See Uniform Housing Code, § 503.2; see also *City of Santa Barbara v. Adamson* (1980) 27 Cal.3d 123, 133.

¹⁸ See, e.g., Health & Saf. Code, §§ 1566.3, 1569.85, 11834.23.

through statutes designed to protect small licensed facilities, which provide higher levels of support and care that require state licenses.¹⁹ These statutes specifically apply to licensed facilities, not to unlicensed group homes. In effect, the City is inappropriately transforming state laws designed to prevent local constraints on small, licensed facilities into constraints on group homes that do not provide services requiring state licenses. Moreover, the City is imposing more restrictions on group homes with six or fewer residents than state law allows it to impose on licensed facilities with similar numbers of residents. To avoid imposing overly costly and burdensome constraints on group homes, the best practice is to apply the same general building, fire, and other health and safety codes that apply to other residences, subject to state health and safety code provisions specific to certain types of licensed facilities and to reasonable accommodations requirements.²⁰

Separation Requirement

MC 13-322, 13-323, and 13-324 require 650 feet of separation between group homes, sober living homes, or state-licensed drug and alcohol treatment facilities, new and existing.

These spacing requirements have a particularly severe impact on group homes, severely limiting where they can locate, causing group homes to close, and preventing others from opening. Yet the City has not shown that these spacing requirements are necessary or that there are health, safety, or similar justifications for the spacing requirements, or that if these were actual issues, that the City could not address them through less restrictive and discriminatory policies.

Pages 27-29 of the Group Home TA provides additional guidance illustrating why the City's spacing requirements conflict with its duties under state housing law (e.g., Gov. Code, §§ 8899.50, 65008, 65583, subds. (c), (1), (5), (10)), as does the Amicus Brief.

Vehicle and Parking Requirements

The City imposes special vehicle and parking requirements on group homes. MC 13-311(a)(5) states that each dwelling resident is limited to one vehicle that must be used as the resident's primary form of transportation. MC 13-311(a)(5) requires each dwelling resident to park their vehicle on dwelling premises or within 500 feet of the dwelling.

Concerns about parking and traffic should be addressed through generally applicable rules instead of restrictions that target housing for persons with disabilities.²¹

¹⁹ See Group Home TA at pp. 25-26.

²⁰ See, e.g., Health & Saf. Code, § 13113 (requiring sprinkler systems in certain licensed facilities).

²¹ See *Adamson*, *supra*, 27 Cal.3d at 133; Group Home TA at p 31.

Examples of Other Permitting and Operational Requirements

The City imposes the following restrictions on group homes but not on other residences:

- MC 13-311(a)(4) requires a manager to be present during all hours, seven days a week.
- MC 13-311(a)(14)(vi) requires that the operator must have a good neighbor policy directing residents “to be considerate of neighbors, including refraining from engaging in excessively loud, profane or obnoxious behavior that would unduly interfere with a neighbor’s use and enjoyment of their dwelling unit.”
- MC 13-311(b) requires group homes applying for a permit to provide notice to the owner of record and all occupants within 500 feet of the group home.

Singling out group homes for restrictions like these can burden group homes with additional, unjustified costs, while perpetuating fears and stereotypes about persons with disabilities. Pages 30-33 of the Group Home TA provide additional guidance on how to avoid these and other restrictions in Costa Mesa’s group home ordinances that conflict with the City’s duties under Government Code sections 8899.50, 65008, 65583, subds. (c)(1), (c)(5) and (10), among others.²²

Reasonable Accommodations

Failing to make reasonable accommodations to rules or policies, in order to allow persons with disabilities the opportunity to access housing, is a form of discrimination.²³ Making reasonable accommodations is also necessary to fulfill the City’s AFFH duties and its duties to remove constraints on housing for persons with disabilities.²⁴

The City should review its reasonable accommodation policies in Municipal Code section 13-200.62, along with its application of these policies, to ensure compliance with state law.²⁵ For example, the City: (i) must avoid denying requested accommodations based on fears or prejudicial assumptions about people with disabilities, such as that group home residents somehow uniquely cause problematic traffic, noise, or activity; (ii)

²² See also *Oconomowoc Residential Programs, Inc. v. City of Milwaukee* (7th Cir. 2002) 300 F.3d 775, 783 (finding that house manager requirement is discriminatory because it effectively mandates an “institutional” arrangement that is not “on par with” housing policies for those who are not disabled); *Potomac Group Home Corp. v. Montgomery County, Md.* (D. Md. 1993) 823 F.Supp. 1285, 1296 (finding that notice requirements discriminate against and stigmatize persons with disabilities).

²³ See, e.g., Gov. Code, § 12927, subd. (c)(1).

²⁴ See, e.g., Gov. Code, §§ 8899.50, 65583, subds. (a)(6), (c)(3), (5).

²⁵ See, e.g., Cal. Code Regs., tit. 2, §§ 12176-12185; Group Home TA at pp. 18-20; Amicus Brief at pp. 21-25.

may not place the burden on reasonable accommodation applicants to demonstrate that their requested accommodations would not create undue burdens on the City or fundamental alterations to its zoning code; (iii) may not require applicants to show that they could not find any other housing within the city that would meet their disability-related needs; and (iv) must engage in good faith with reasonable accommodation requests and avoid delay or burdensome procedural requirements.²⁶

Costa Mesa May Still Address Problems that Might Arise at Individual Group Homes

The City has resources to legally address problems that might occur at individual group homes. If group home operators are engaging in activities that constitute public nuisances; violating generally applicable building, housing, or other health and safety laws; committing fraud; or engaging in other illegal activities, the City can address these issues through the same code enforcement and other legal processes it applies to others who violate municipal codes and other laws. If the City has evidence that a group home operator is providing services that require a license without obtaining one, it can contact the state's Department of Social Services or Department of Health Care Services, which can initiate investigations and take remedial action if appropriate.²⁷

This may still require considering if reasonable accommodations are appropriate in some circumstances. And the City should avoid overbroad or discriminatory applications of nuisance laws, such as those basing civil nuisance actions on 911 calls for emergency services.²⁸ But if a group home is found to have violated local or state law, the City may, for example, seek equitable relief that could include more stringent oversight and other affirmative relief to prevent further violations.

Focusing on individual group homes that are actually causing problems is a better practice than adopting overly broad, constraining, and unlawful regulations for all group homes.

²⁶ See, e.g., Cal. Code Regs., tit. 2, §§ 12177-12179; 28. C.F.R. § 35.150(a)(3).

²⁷ See Group Home TA at pp. 33-36, 37.

²⁸ See, e.g., Cal. Code Regs., tit. 2, § 12162, subd. (a); see also California Attorney General Rob Bonta letter to all Cities and Counties in California re Crime Free Housing Policies (Apr. 21, 2023), available at https://oag.ca.gov/system/files/attachments/press-docs/Crime%20Free%20Housing%20Guidance_4.21.23.pdf.

Conclusion

Costa Mesa's ordinances are blocking new group homes from opening, forcing existing ones to close, and imposing costs, administrative burdens, and fees that make it difficult for group homes to operate, while displacing persons with disabilities and disrupting their lives. The City is creating these restrictions and problems in the context of a shortage of adequate housing for persons with disabilities, which is a particularly acute issue within California's broader housing crisis.

HCD has reviewed the City's group home ordinances and found that they violate Government Code sections 65008, 65583, and 8899.50. The City must stop enforcing these ordinances, repeal them, change its reasonable accommodation policies and practices, and review other zoning practices in light of HCD's guidance to ensure that the City is complying with state law. These actions are necessary for the City to comply with its duties under Government Code sections 65008, 65583, and 8899.50, and are among the things that the City must do to bring its 6th cycle housing element into substantial compliance with State Housing Element Law.

For technical assistance regarding the City's 6th Cycle housing element, please contact Jose Armando Jauregui at jose.jauregui@hcd.ca.gov. If you have any questions regarding the content of this letter, please contact Bentley Regehr at bentley.regehr@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Zisser', with a long horizontal line extending to the right.

David Zisser
Assistant Deputy Director
Local Government Relations and Accountability

Enclosures: Letter from HCD regarding City of Costa Mesa's 6th Cycle (2021-2029)
Adopted Housing Element (May 9, 2023)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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May 9, 2023

Lori Ann Farrell Harrison, City Manager
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

Dear Lori Ann Farrell Harrison:

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

Thank you for submitting the City of Costa Mesa's (City) housing element that was adopted on November 15, 2022 and received for review on March 10, 2023. In addition, the California Department of Housing and Community Development (HCD) considered technical modifications from its prior review authorized by Resolution Number 2022-67. Pursuant to Government Code section 65585, subdivision (h), HCD is reporting the results of its review. In addition, HCD considered comments from Costa Mesa First pursuant to Government Code section 65588, subdivision (c).

The adopted housing element meets the statutory requirements of State Housing Element Law (Gov. Code, § 65580 et seq.). However, the housing element cannot be found in substantial compliance until the City has completed necessary rezones to make prior identified sites available and address the shortfall of sites to accommodate the RHNA pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021) as described below.

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 and Programs 3B (Fairview Development Center), 3C (North Costa Mesa Specific Plan), 3D (Urban plans and Overlays), and 3N (Reused sites) have not been completed, the housing element is out of compliance and will remain out of compliance until the rezoning has been completed. Once the City completes the rezone, a copy of the resolution or ordinance should be transmitted to HCD. HCD will review the documentation and issue correspondence identifying the updated status of the City's housing element compliance.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Program 2A (Inclusionary Housing Ordinance)
- Program 2B (Affordable Housing Development)
- Program 2I (State Density Bonus Incentives)
- Program 2J (Transitional and Supportive Housing)
- Program 2M (Parking Standards for Residential Development)
- Program 2N (Reasonable Accommodation)
- Program 2O (Definition of Single Housekeeping Unit)
- Program 2P (Group Homes): Please note, HCD may follow up with additional technical assistance. Please see HCD's Group Home Technical Advisory at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/group-home-technical-advisory-2022.pdf>.
- Program 3B (Fairview Development Center)
- Program 3G (City-wide Vote Requirements)
- Program 3R (Development of Large Sites)
- Program 4A (Fair Housing)

The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i), grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or State Housing Element Law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

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 appreciates the dedication and cooperation of the City's housing element team provided during the review and update. HCD particularly applauds the efforts of Jennifer Le and Scott Drapkin whose collaboration, communication, expertise and public service is truly commendable. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If you have any questions or need additional technical assistance, please contact Jose Armando Jauregui of our staff, at Jose.jauregui@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager