

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

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November 19, 2025

Alicia Velasco, Planning Director
Department of Community Development
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

RE: City of Cypress Rezone Implementation – Letter of Technical Assistance

Dear Alicia Velasco:

The purpose of this letter is to provide technical assistance regarding the implementation of Program 12 (Residential and Mixed-Use Sites Inventory) and Program 14 (By Right Approval of Projects with 20 Percent Affordable Units on Reuse and Shortfall Sites) to rezone adequate sites to satisfy its Regional Housing Needs Allocation (RHNA) shortfall and to allow by-right processing of sites identified in previous housing elements pursuant to Government Code section 65583.2, subdivision (c).

On March 14, 2025, the California Department of Housing and Community Development (HCD) sent a Letter of Inquiry to the City of Cypress (City) regarding the completion of Programs 12 and 14. HCD received written response from the City on March 17, 2025, stating that the City completed Programs 12 and 14. HCD received Ordinance No. 1213, Ordinance No. 1214 and Ordinance No. 1206. Further communication with City staff on June 23, 2025, July 10, 2025 and August 22, 2025 provided clarification on the Cypress Town Center and Commons Specific Plan and the Lincoln Area Specific Plan. HCD took the responses submitted by the City under consideration and determined that while the responses meet many requirements of state law, the City must demonstrate the rezonings meet all requirements in Government Code section 65583.2, subdivisions (c), (h) and (i).

Specifically, while it appears that more than 50 percent of the City's identified RHNA shortfall is met on mixed-use sites, the ordinance does not state if these mixed-use sites permit 100 percent residential development and require a minimum of 50 percent of the square footage in a mixed-use development to be residential.

Additionally, although all residential development is permitted in the Lincoln Avenue Specific Plan, subject only to objective development standards, the ordinance does not indicate if the City permits owner-occupied and rental multifamily uses by-right for developments in which at least 20 percent are affordable to lower-income households.

“By-right” means local government review must not require a conditional use permit, planned unit development permit, or other discretionary review or approval that would constitute a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.¹

HCD requests that the City revise its zoning ordinance or provide written documentation clearly demonstrating the rezones meet these statutory requirements. A copy of the revised ordinance should be transmitted to HCD. HCD will review the documentation and issue correspondence before taking any action authorized by Government Code section 65585, subdivisions (i) and (j). Such action may include issuance of written findings (Corrective Action Letter) and revoking HCD’s finding that the City’s housing element is in substantial compliance with Housing Element Law and/or referral to the California Office of the Attorney General.

HCD provides the City until December 19, 2025 to provide a written response to these findings. If you have questions or need additional information, please contact Leslie Woodman at Leslie.Woodman@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melinda Coy', with a long horizontal stroke extending to the right.

Melinda Coy
Housing Accountability Unit Chief

¹ Gov. Code, § 65583.2, subd. (i)