

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

651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



May 16, 2025

Colleen O'Toole, City Manager
City of Ferndale
834 Main Street
Ferndale, CA 95536

**RE: City of Ferndale 6th Cycle Housing Element Program Implementation
Requirements – Letter of Inquiry**

Dear Colleen O'Toole:

The purpose of this letter is to inquire about the status of the City of Ferndale's (City) 6th Cycle Housing Element Implementation Programs pursuant to Government Code section 65585, subdivision (i). The California Department of Housing and Community Development (HCD) sent the City a letter on December 11, 2019, finding the City's housing element in substantial compliance with Housing Element Law.¹ This was based on, among other reasons, the City's responsibility to complete Programs according to timeline commitments. As the commitment date has passed for many Programs, HCD requests that the City provide an update on the status and timeline of implementation for the following:

- **Program 1 (Adequate Sites)**: The Annual Progress Report (APR) for 2024 states that the zoning amendments are expected to be complete in Q2 of 2025. The City must provide the accompanying documentation to confirm program completion. As the Program was due to be complete on August 1, 2020, the City should also provide a timeline for the implementation of the remaining program actions (e.g., study session and follow up actions).
- **Program 2 (Small Sites)**: The APR for 2024 states that the City expects to complete the Program by CY 2025. As the Program was due to be complete in 2022, the City must provide the accompanying documentation to confirm program completion.
- **Program 3 (Parking Regulations)**: The APR for 2024 states that the City has begun the process of evaluating parking standards. As the Program was due to be complete in 2023, the City should also provide a timeline for the implementation of Program actions (e.g., amend multifamily parking standards).

¹ Gov. Code, § 65580 et seq.

- Program 5 (Sites from Previous Planning Cycles): As the Program was due to be completed in 2022, the City should confirm whether the Program has been completed and provide the accompanying documentation (e.g., ordinances, resolutions, zoning codes, etc.) or provide a timeline for Program completion.
- Program 6 (Single-Room Occupancy): As the Program was due to be completed in 2022, the City should confirm whether the Program has been completed and provide the accompanying documentation (e.g., ordinances, resolutions, zoning codes, etc.) or provide a timeline for Program completion.
- Program 7 (Employee Housing): The APR for 2024 states that the zoning amendments are expected to be complete in Q2 of 2025. As the Program was due to be complete in 2022, the City must provide the accompanying documentation to confirm program completion. The City should also provide a timeline for the implementation of the remaining program actions (e.g., study session and follow up actions).

Consequences of Failure to Implement Programs

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 Housing Element Law. This includes failure to implement program actions included in the housing element. Failure to implement actions in the programs listed above by the statutory deadline means the City's housing element will no longer substantially comply with Housing Element Law, and HCD may revoke its finding of substantial compliance.

Various consequences may apply if the City does not have a housing element in compliance with Housing Element Law, including ineligibility or delay in receiving certain state funds, referral to the California Office of the Attorney General, court-imposed financial penalties, the loss of local land use authority to a court-appointed agent, and the application of the "builder's remedy."²

Conclusion

Housing elements are essential to developing a blueprint for growth and are a vital tool to address California's prolonged housing crisis. Accordingly, state law has established clear disincentives for local jurisdictions that fail to comply with Housing Element Law. To ensure the City continues to meet the 6th cycle update requirements for a substantially compliant housing element, the City must submit any adopted ordinances, resolutions, or documentation that demonstrates that housing element program commitments have been met.³

² Gov. Code, §§ 65585, subds. (j), (l)(1), (i); 65589.5, subd. (d)(5).

³ Gov. Code, § 65585.

HCD will consider any written response before taking further action authorized by Government Code section 65585, subdivision (i), including issuance of a Corrective Action Letter and removal of HCD's finding of housing element compliance.

Please provide a written response to this inquiry by June 16, 2025. If you have any questions or would like to discuss the content of this letter, please feel free to contact Anthony Errichetto of our staff at Anthony.Errichetto@hcd.ca.gov.

Sincerely,

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

Melinda Coy
Proactive Housing Accountability Chief
Division of Housing Policy Development