

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

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September 11, 2025

Angelica Frausto Lupo, Community Development Director
City of Moreno Valley
14177 Frederick St.
PO Box 88005
Moreno Valley, CA 92552

RE: City of Moreno Valley No Net Loss Law Compliance – Letter of Inquiry

Dear Angelica Frausto Lupo:

The purpose of this letter is to inquire about the status of the City of Moreno Valley's (City) 6th Cycle Housing Element Site Inventory, pursuant to Government Code section 65863 (No Net Loss Law). No Net Loss Law requires a jurisdiction to maintain a sufficient supply of adequate sites at all times that will accommodate the unmet Regional Housing Needs Allocation (RHNA) for all income levels throughout the Housing Element planning period. This letter comes as a result of an inquiry submitted to HCD regarding a lawsuit that invalidated the City's 2040 General Plan Update. This inquiry was facilitated by conversations that HCD had with City staff on April 9, 2025, and June 18, 2025.

Background

On April 16, 2025, the City provided a letter summarizing the *Sierra Club v. The City of Moreno Valley* court ruling, which required the City to set aside all approvals related to the City's 2040 General Plan Update. The letter included the Statement of Decision and Peremptory Writ of Mandate issued by the Superior Court of the State of California, County of Riverside (Court) on March 4, 2024, and May 6, 2024, respectively; and the associated zoning amendments adopted on August 3, 2021, under Ordinance No. 981. On July 8, 2025, the City provided an additional letter, which included the City's Return to the Writ that was filed with the Court on August 8, 2024. According to the collective documentation provided, the City was required to set aside its General Plan Update, Climate Action Plan, Environmental Impact Report and associated zoning amendments. The City's letter notes that the Court "granted the Petition on the issues of 'inadequate baseline, air quality/climate changes (GHG emissions)/energy use analyses,' but denied the Petition on the issue of 'land use analysis.'" The City further claims that "the Court did not issue any injunctive orders prohibiting the City from applying or implementing the 2040 [General Plan Update] (or 2021 Housing Element)." Thus, the City has proceeded in processing housing development projects under the zoning of the 2040 General Plan Update through General Plan amendments. The City's letter dated July 8, 2025, further

states, “formal reinstatement of the residential zoning which the City previously adopted” under the 2040 General Plan will occur upon recertification of the City’s Revised Final Programmatic Environmental Impact Report.

The City’s action to repeal the associated zoning amendments on August 8, 2024, effectively reverts the City’s land use and zoning designations to the 2006 General Plan and prior zoning ordinance.¹ HCD also understands that the City’s 6th Cycle Housing Element Sites Inventory relies on and reflects the development capacity of the 2040 General Plan Update’s “Center Mixed Use” (CEMU) and “Corridor Mixed Use” (COMU) land use designations, which make up a reported total of 4,696 low and very low income units, 1,594 moderate income units, and 2,227 above moderate income units.²

No Net Loss Law

No Net Loss Law requires a jurisdiction to maintain a sufficient supply of adequate sites in its housing element at all times throughout the housing element planning period to meet a jurisdiction’s remaining unmet share of the RHNA for each income category.³ To comply with the No Net Loss Law, jurisdictions must ensure their actions do not create a shortfall of available sites. When making decisions regarding zoning and land use (e.g., downzoning) and/or when approving housing development projects, jurisdictions must assess the impacts those actions have on their ability to accommodate new housing on the remaining sites in their housing element site inventories.⁴ If at any time during the planning period, the jurisdiction finds that its remaining sites are insufficient to accommodate its remaining RHNA, the jurisdiction must expeditiously correct the shortfall by amending its housing element sites inventory to increase capacity by either adding previously unidentified sites or rezoning remaining sites to correct for the shortfall.⁵

For information on the specific provisions of No Net Loss Law and tools to assist the City in evaluating its remaining site inventory capacity, please refer to HCD’s technical assistance memorandum on No Net Loss Law.⁶

¹ August 8, 2024. City of Moreno Valley, Ordinance No. 1014.

<https://ecode360.com/MO4973/laws/LF2119934.pdf>

² August 2022. City of Moreno Valley Adopted 6th Cycle Housing Element, p. 6-40.

<https://hcdpowerbi.blob.core.windows.net/housing-elements/moreno-valley-6th-draft081522.pdf>

³ Gov. Code, § 65863

⁴ Gov. Code, § 65863, subd. (b)

⁵ Gov. Code, § 65863, subd. (c)

⁶ October 2019. HCD Memorandum: No Net Loss Law (SB 166). <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/SB-166-final.pdf>

Conclusion

Due to the discrepancies found in the City's 6th Cycle Housing Element Site Inventory as a result of the repealed zoning amendments, it is unclear whether the City continues to have adequate sites to accommodate the remaining unmet RHNA throughout the entire Housing Element planning period. To ensure the City complies with No Net Loss Law, HCD requests the City provide written findings to demonstrate that either (1) the 2040 General Plan with its associated zoning has been reinstated or provide a timeline with clear dates of when the 2040 General Plan will be reinstated; (2) the City's 6th Cycle Housing Element sites inventory continues to have sufficient capacity under the current (reverted) zoning to accommodate the remaining RHNA, for all income levels; or (3) the City has found alternative site(s) and/or will rezone remaining sites to replace the loss of units described above.

In addition, please note HCD is reviewing documentation for the City's completion of Program 2-A (Rezone Higher Density for Adequate Sites) and 2-B (Rezone Religious Sites for Adequate Sites) to rezone adequate sites to satisfy its lower-income RHNA shortfall. HCD will continue to communicate with City staff regarding the completion of these rezone commitments.

HCD will consider the City's written response before taking further action as authorized by Government Code section 65585, subdivisions (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 October 11, 2025. If you have any questions or would like to discuss this matter further, please contact Linda Ly at Linda.Ly@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
Division of Housing Policy Development

cc:
Sean Kelleher, Assistant City Manager
Steven Quintanilla, City Attorney