

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

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December 3, 2025

Trevor Keith, Director
Planning and Building Department
County of San Luis Obispo
1055 Monterey Street
San Luis Obispo, CA 93408

RE: County of San Luis Obispo 6th Cycle Housing Element Programs – Letter of Inquiry

Dear Trevor:

The purpose of this letter is to inquire about the status of the County of San Luis Obispo's (County) 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 County a letter on March 10, 2021 finding the County's housing element in substantial compliance with Housing Element Law.¹ This was based on, among other reasons, the County's responsibility to complete Programs according to timeline commitments.

APR from 2024 states that the County has not started implementing programs mentioned below and that they were originally funded through HCD's Local Early Action Planning (LEAP) Grants Program, but the funds ran out before the programs could begin. As the commitment date has passed for the programs listed below, HCD requests that the County provide an update on whether staff are seeking out other funding sources to complete the programs and provide an estimated timeline for completion.

- Program M (AB 101 Low Barrier Navigation Centers) that was due by December 31, 2022.
- Program N (AB 2162 Supportive Housing) that was due by December 31, 2022.

In addition, the County should provide an update on the status of the following:

- Program U (Group Homes and Other Residential Care Facilities) was due by January 31, 2025: The Annual Progress Report (APR) from 2024 states that the County has not started implementing this program. In a discussion with the

¹ Gov. Code, § 65580 et seq.

Housing Element Implementation team, the County shared that staff are focusing on priority programs within the 2020-2028 Housing Element Implementation Framework and that this program is currently unfunded. Like Programs M and N the County should provide an update on whether staff are seeking out other funding sources to complete the program and provide an estimated timeline for completion.

- Program B (Affirmatively Furthering Fair Housing) was due by Spring 2022: The Annual Progress Report (APR) from 2024 states that the County has continuously referred fair housing complaints to appropriate agencies, such as the California Rural Legal Assistance (CRLA), which submits quarterly reports on the number and type of fair housing cases handled and its public outreach efforts. However, the County should provide an update on the status and timeline for completion of all commitments in the program.

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 Programs M, N, U and B by the statutory deadline means the County'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 County 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 County continues to meet the 6th cycle update requirements for a substantially compliant housing element, the County must submit any adopted ordinances or resolutions to HCD for review or documentation that demonstrates that housing element program commits have been met.³

² Gov. Code, §§ 65585, subds. (i)(1)(C), (j), (l)(1); 65589.5, subd. (d)(6) and (h)(11).

³ Gov. Code, § 65585.

HCD understands the County has many commitments and recognizes the challenges of implementation. 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 January 2, 2025. If you have any questions or would like to discuss the content of this letter, please contact Andrea Grant of our staff at andrea.grant@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