

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

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April 23, 2024

Stephanie Hansen, Assistant Director
Community Development and Infrastructure Department
County of Santa Cruz
701 Ocean Street, Suite 400
Santa Cruz, CA 95060

Dear Stephanie Hansen:

RE: County of Santa Cruz 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the County of Santa Cruz's (County) housing element adopted November 14, 2023. Modifications to the adopted element were received for review on February 23, 2024 and authorized by Resolution 203-2023. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Santa Cruz YIMBY pursuant to Government Code section 65585, subdivision (c).

HCD is pleased to find the adopted housing element, including modifications, in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of the date of this letter. The adopted element, including modifications, addresses the statutory requirements that were described in HCD's January 16, 2024, review. A copy of the adopted housing element, including modifications, should be posted and available to the public and sent to HCD for confirmation.

The County must continue timely and effective implementation of all programs including but not limited to the following:

- Program H-1B (Accommodate the Regional Housing Need Allocation (RHNA))
- Program H-1C (By-Right Overlay)
- Program H-1D (State Density Bonus Law)
- Program H-1E (Residential Flex Rezone)
- Program H-1F (Multifamily Development Standards)
- Program H-1H (Senate Bill 9 Implementation)
- Program H-1J (Senate Bill 10 Implementation)
- Program H-1M (Accessory Dwelling Units)
- Program H-2A (At-Risk Affordable Housing Preservation)

- Programs H-3H and H-3J (Inclusionary Housing)
- Program H-3I (Surplus Lands Act)
- Program H-3K (Public Facility Sites)
- Program H-3L (Place-Based Improvements)
- Program H-4A (Unhoused Strategy)
- Program H-4C (Compliance with State Housing Laws)

The element includes Program H-1B (Rezone to Accommodate the RHNA) to rezone adequate sites to accommodate the shortfall of lower-income RHNA and Program H-1C (By-Right Overlay) to make prior identified sites available for development. Among other things, these Programs commit to permit housing development by-right (without discretionary action) for developments in which 20 percent or more of the units are affordable to lower-income households.

The County 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 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.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the County did not adopt a compliant housing element within 120 days of the statutory deadline (December 15, 2023), Programs H-1B (Rezone to Accommodate the RHNA) and H-1C (By-Right Overlay) to address a shortfall of capacity to accommodate the RHNA and make prior identified sites available must be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i)

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the County to consider timing provisions and welcomes the opportunity to provide technical 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>.

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 program, 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 County now meets housing element requirements for these and other funding sources.

HCD appreciates the dedication and cooperation County staff provided throughout the course of the housing element review. HCD wishes the County 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 HCD can provide technical assistance in implementing the housing element, please contact Anthony Errichetto, of our staff, at Anthony.Errichetto@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