

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



December 21, 2023

Matt Huffaker, City Manager
City of Santa Cruz
809 Center Street, Room 107
Santa Cruz, CA 95060

Dear Matt Huffaker:

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

Thank you for submitting the City of Santa Cruz's (City) housing element adopted December 12, 2023 and received for review on December 14, 2023. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

HCD is pleased to find the adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et. seq.) as of the date of this letter. The adopted element was found to be substantially the same as the revised draft element that HCD's December 7, 2023 review determined met statutory requirements.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Program 1.1e (Lot Consolidation)
- Program 1.3g (Development Standards Amendments)
- Program 2.1a (Inclusionary Housing Ordinance)
- Program 2.2i (Support Faith Based Developments)
- Program 2.5a (Preserve At-Risk Affordable Housing Units)
- Program 3.1c-d (Reasonable Accommodation and Residential Care Facilities)
- Program 3.3a-i (Homelessness)
- Program 5.3a-b (Rehabilitation Assistance and Outreach)
- Program 5.5b (Anti-displacement Strategies)

The City 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.

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, Prohousing program and Prohousing Incentive Program, 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 City now meets housing element requirements for these and other funding sources.

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

HCD appreciates the dedication and work that was put into the housing element update and review process. HCD particularly commends the leadership and collaboration of the City and City staff in already taking significant steps towards addressing the housing needs of the community. HCD particularly applauds Lee Butler, Matt VanHua, Clara Stanger, Katherine Donovan, Eric Marlatt, Jessica de Wit, Jessica Mellor, Bonnie Lipscomb and the City Council Subcommittee with Mayor Keeley and Councilmembers Kalantari-Johnson and Newsome. Their public service and commitment to housing and community development is laudable. HCD wishes the City of Santa Cruz 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 assistance in implementing the housing element, please contact Jose Armando Jauregui, of our staff, at jose.jauregui@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager