

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

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**Federal Programs Branch Management Memo #10-02****Date: May 20, 2010****To: CDBG and HOME State Recipients****From: Tom Bettencourt, Federal Programs Branch Chief****Re: Housing Element Compliance Requirements for the State CDBG and HOME Programs**

The purpose of this memo is to alert CDBG and HOME-eligible cities and counties to each program's requirements and critical deadlines related to adoption of local housing elements.

Please read this memo carefully, and discuss it with your local Planning Department; so they are aware of the relevant application deadlines and the status of the housing element for upcoming CDBG and HOME applications. **NOTE:** as discussed below, the housing element compliance standards for CDBG and HOME are different. Please make sure you meet the requirements for the programs to which you are applying for funds. A table which summarizes the requirements of each is included on page 3.

Pursuant to State Housing Element law, the Department has sixty (60) days to review draft housing elements, and ninety (90) days to review adopted housing elements. Be sure to factor in these review periods and time necessary to make any necessary changes when determining how to meet program deadlines for the housing element.

For technical assistance regarding housing element preparation and compliance status, contact Paul McDougall, at pmcdougal@hcd.ca.gov or by phone at (916) 322-7995.

For technical assistance with CDBG eligibility requirements, contact Anda Draghici, CDBG General Program Manager, at adraghici@hcd.ca.gov, or by phone at (916) 319-8064.

For assistance concerning the HOME program, contact the main HOME number at (916) 322-0356 or home@hcd.ca.gov

CDBG

Health and Safety Code Sections 50829 requires jurisdictions to submit and adopt a housing element in accordance with housing element law (Article 10.6 of the Government Code). Generally, funds shall not be denied because of the content of the housing element unless as provided in Section 50830 a jurisdiction has a growth control measure which directly limits, by number, building permit or building lots. However, jurisdictions with growth control measures may still receive funding under certain conditions, but may receive a lesser priority in the application process.

To submit and adopt a housing element in accordance with housing element law (Government Code Section 65585), a jurisdiction must: generally (1) submit a draft, (2) consider written findings issued by the Department on its draft housing element, (3) adopt the housing element in consideration of the Department's findings, and (4) submit the adopted housing element to the Department for review.

For the General, Native American, and Colonias allocations and the Enterprise Fund component, this standard must be met by the CDBG application deadline. For the Economic Development over-the-counter component, and for all Planning and Technical Assistance (PTA) grants, this standard must be met before an application can be funded.

The application deadline for the General, Native American, and Colonias allocations is June 25, 2010. The application deadline for the Enterprise Fund is anticipated to be sometime in December 2010. For competitive allocations, no grace periods for housing element compliance will be provided.

As described above, no jurisdiction is eligible to receive State CDBG funds if it has adopted a general plan, ordinance, or other measure that directly limits, by number, the building permits that may be issued for residential construction or the building lots that may be developed for residential purposes. There are certain exceptions to this exclusion, including having a final adopted housing element found to be IN COMPLIANCE by the Department. See [Health and Safety Code Section 50830](#) for more information on these CDBG eligibility requirements.

HOME

State HOME regulations award a city or county fifty (50) application rating points if the jurisdiction's adopted housing element is found IN COMPLIANCE by the Department as of the deadline for submission of the HOME application.¹ Unlike the CDBG standard, this means the Department must have issued a letter finding the jurisdiction's adopted housing element to be IN COMPLIANCE. This review letter must be issued on or before the HOME application deadline in order to receive HOME rating points for housing element compliance. For 2010, the HOME application deadline is anticipated to be September 1st. For HOME, housing element compliance is an application rating point factor, not an application eligibility requirement.

¹ CHDOs and newly formed cities that are not required to have an adopted housing element shall receive full points in the housing element rating category.

Summary Table

Program	Housing Element Compliance Standard	Effect on Application if Standard Not Met	When Standard Must Be Met
<p>CDBG General, Native American, and Colonias allocations</p> <p style="text-align: center;">&</p> <p>CDBG Enterprise Fund</p>	<p>To submit and adopt a housing element in accordance with housing element law (Government Code Section 65585), a jurisdiction must: generally (1) submit a draft, (2) consider written findings issued by the Department on its draft housing element, (3) adopt the housing element in consideration of the Department's findings, and (4) submit the adopted housing element to the Department for review.</p>	<p>Application not eligible for funds</p>	<p>Application deadline</p> <p>(No grace periods provided for competitive allocations.)</p>
<p>CDBG Economic Development Over-the Counter Component</p> <p style="text-align: center;">&</p> <p>CDBG PTA Grants</p>	<p>To submit and adopt a housing element in accordance with housing element law (Government Code Section 65585), a jurisdiction must: generally (1) submit a draft, (2) consider written findings issued by the Department on its draft housing element, (3) adopt the housing element in consideration of the Department's findings, and (4) submit the adopted housing element to the Department for review.</p>	<p>Application not eligible for funds</p>	<p>Before the application can be funded</p>
<p>HOME</p>	<p>Adopted housing element found to be in compliance by the Department ("IN COMPLIANCE") as demonstrated by a review letter from the Department</p>	<p>Application eligible, but loses 50 points</p>	<p>Application deadline</p> <p>(No grace periods provided.)</p>

Housing Element Update Schedule

The housing element update schedules (Government Code Section 65588) for local governments are listed below. Contact HPD at (916) 445-4728 for further information.

Regional Jurisdictions	Fourth Revision Date
San Diego Association of Governments: San Diego County and all cities within the County.	June 30, 2005
<u>Southern California Association of Governments (SCAG)</u>: Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, Ventura, and all cities within each County.	June 30, 2008*
<u>Association of Bay Area Governments (ABAG)</u>: Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma, and all cities within each County.	June 30, 2009*
Council of Fresno County Governments: Fresno County and all cities within the County. Kern County Council of Governments: Kern County and all cities within the County. Sacramento Area Council of Governments (SACOG): Counties of El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba, and all cities within each County.	June 30, 2008
Association of Monterey Bay Area Governments (AMBAG): Counties of Monterey, Santa Cruz, and all cities within each County.	June 30, 2009**
All Other Local Governments: Counties of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Nevada, Plumas, San Benito, San Joaquin, San Luis Obispo, Santa Barbara, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Trinity, Tulare, Tuolumne and all cities within each County.	August 31, 2009***