

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR**

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March 24, 2011

Members of the California State Senate
State Capitol
Sacramento, CA 95814

Members of the California State Assembly
State Capitol
Sacramento, CA 95814

Members of the California State Senate and Assembly:

The State Department of Housing and Community Development (Department) is pleased to present information regarding the status of Housing Elements in California for 2010. This information is provided in conformance with Health & Safety Code Section 50459(c). The enclosure provides a listing of housing element compliance status by region.

Consistent with requirements pursuant to Section 50459(c) and to provide timely and up-to-date information, the Department compiles and reports information about the housing element compliance status of all local governments on its website at <http://www.hcd.ca.gov/hpd/hrc/plan/he/>. The website describes the compliance status of each local government in meeting the requirements of State housing element law. In addition, the website includes:

- housing element compliance status by county;
- a listing of housing elements currently under review;
- copies of the Department's review findings; and
- a variety of housing element preparation and implementation technical assistance resources, including *Building Blocks for Effective Housing Elements*. The *Building Blocks*' webpage provides extensive resources including sample analyses and programs local governments can download and use in their housing element updates.

In the prior planning period, California communities had achieved a record high compliance rate (80 percent). While the overall compliance rate has declined as local governments work to update their elements, substantial progress has been made in the compliance over the last year. Specifically, the number of jurisdictions in compliance has increased 142 percent. The Department anticipates this trend will continue and the compliance rate will be on track with the previous record rate of 80 percent. For example, in 2009, 23 percent of jurisdictions had not submitted housing elements pursuant to statutory deadlines, but by the end of 2010, this had dropped to 9 percent. Also, among jurisdictions with adopted elements, the compliance rate is high. In 2010, of all adopted housing elements, 90.6 percent were found to comply with housing element law.

Housing element law and the Department's review of updates continue to be a unique and essential tool in planning for the State's housing needs as well as broader public objectives. For example, statutory requirements and the Department's review result in local governments adopting programs to encourage development and address regulatory constraints. Common outcomes from the Department's review include adoption of incentives and procedures to promote infill, lot consolidation, mixed-use and transit-oriented development through increased densities, modified zoning standards and streamlined permit processing. By encouraging development and addressing regulatory constraints, implementation of effective housing elements accommodate California's growing population while effectively planning to address a variety of policy objectives from climate change and air quality to improving job/housing relationships and facilitating job creation. The following are a few highlights:

- *Increasing Higher Density Residential Capacity:* As of December 31, 2010, 80 jurisdictions have committed to rezone or upzone sites to increase residential capacity at higher densities in their housing elements. These commitments will result in rezoning 3,925 acres providing a minimum capacity of 85,883 additional multifamily units. These commitments reinforce housing element law as one of the primary land-use and planning tools to promote sustainable development. Housing element law emphasizes the need to provide a variety of housing types and densities. Specific statutory requirements to promote multifamily development and revitalization provide a critical tool and impetus for local governments to promote sustainable infill development in their communities.
- *Linkages to Climate Change and SB 375:* Housing elements play a critical role in addressing climate change and implementing SB 375. The authors of SB 375 recognized the link between good housing planning and mobility and meeting sustainable community objectives. Improving mobility and transportation efficiency requires effective coordination with housing and land-use planning and housing element law provides an important implementation tool for meeting multiple objectives. Housing element law focuses on actual implementation with specific timelines for rezoning and other programs, creating an effective vehicle to promote achievement of SB 375's objectives.
- *Special Needs:* Over 95 percent of the jurisdictions that adopted housing elements committed to amend zoning to facilitate the development of emergency shelters consistent with SB 2 (Chapter 633, Statutes of 2007). Completion of most zoning amendments is scheduled for 2011. In addition, most zoning amendments also result in permitting transitional and supportive housing as a residential use. The lack of appropriate zoning for emergency shelters and transitional and supportive housing has historically been a substantial barrier. Through commitments to amend zoning to streamline approval procedures, housing element updates create tremendous opportunities to address homeless needs.

Further, the Department's review of housing elements has resulted in additional commitments to update zoning codes and establish procedures to better address the housing needs of persons with disabilities. Commitments range from ensuring local zoning reflects and accommodates a range of family types to adopting reasonable accommodation procedures for persons with disabilities.

The Department is committed to working in partnership with local governments and all stakeholders to promote timely adoption and implementation of effective housing elements. The Department remains dedicated to supporting continued increases in the rate of compliance and identifying additional opportunities to improve the administration and implementation of State housing element law.

An example of the Department's efforts to improve implementation of State housing element law includes reconvening the Housing Element Working Group. In March 2010, the Department assembled the members of the 2004 Housing Element Working Group to discuss implementation of Chapter 724, Statutes of 2004 (AB 2348), including some of the successes, challenges and processes for addressing challenges. The Working Group expressed a need and interest in working on housing element (including RHNA) issues related to SB 375. As a result, HCD established a new Working Group that focuses on housing element and RHNA issues relative to implementation of SB 375. The Working Group consists of a balanced representation of local governments, MPOs/COGs, planners, for- and non-profit housing organizations, housing and environmental advocates, and builders. The Working Group will consider how housing element law and SB 375 work together to effectively address housing needs and climate change objectives.

Addressing the State's housing crisis will not only improve the quality of life for all Californians but strengthen the economy and protect the State's important natural and agricultural resources. Housing element law is an important tool in meeting critical housing and community development needs. The Department hopes you find the report and information on the website useful and welcomes your comments and suggestions. If you have any questions or would like further information, please contact Paul McDougall, Housing Policy Manager, at (916) 445-4728.

Sincerely,



Cathy E. Creswell
Acting Director

Enclosure

cc: Gareth Elliott, Legislative Secretary, Governor's Office

San Diego Association of Governments (SANDAG)

Planning Period 6/30/2005 - 6/30/2011



IN	16	84.2%
OUT	1	5.3%
In Local Process	2	10.5%
DUE	0	0.0%
IN REVIEW	0	0.0%
TOTAL	19	100.0%

Southern California Association of Governments (SCAG)

Planning Period 06/30/2008 - 6/30/2014



IN	95	49.2%
OUT	8	4.1%
In Local Process	57	29.5%
DUE	16	8.3%
IN REVIEW	17	8.8%
TOTAL	193	100.0%

Association of Bay Area Governments (ABAG)

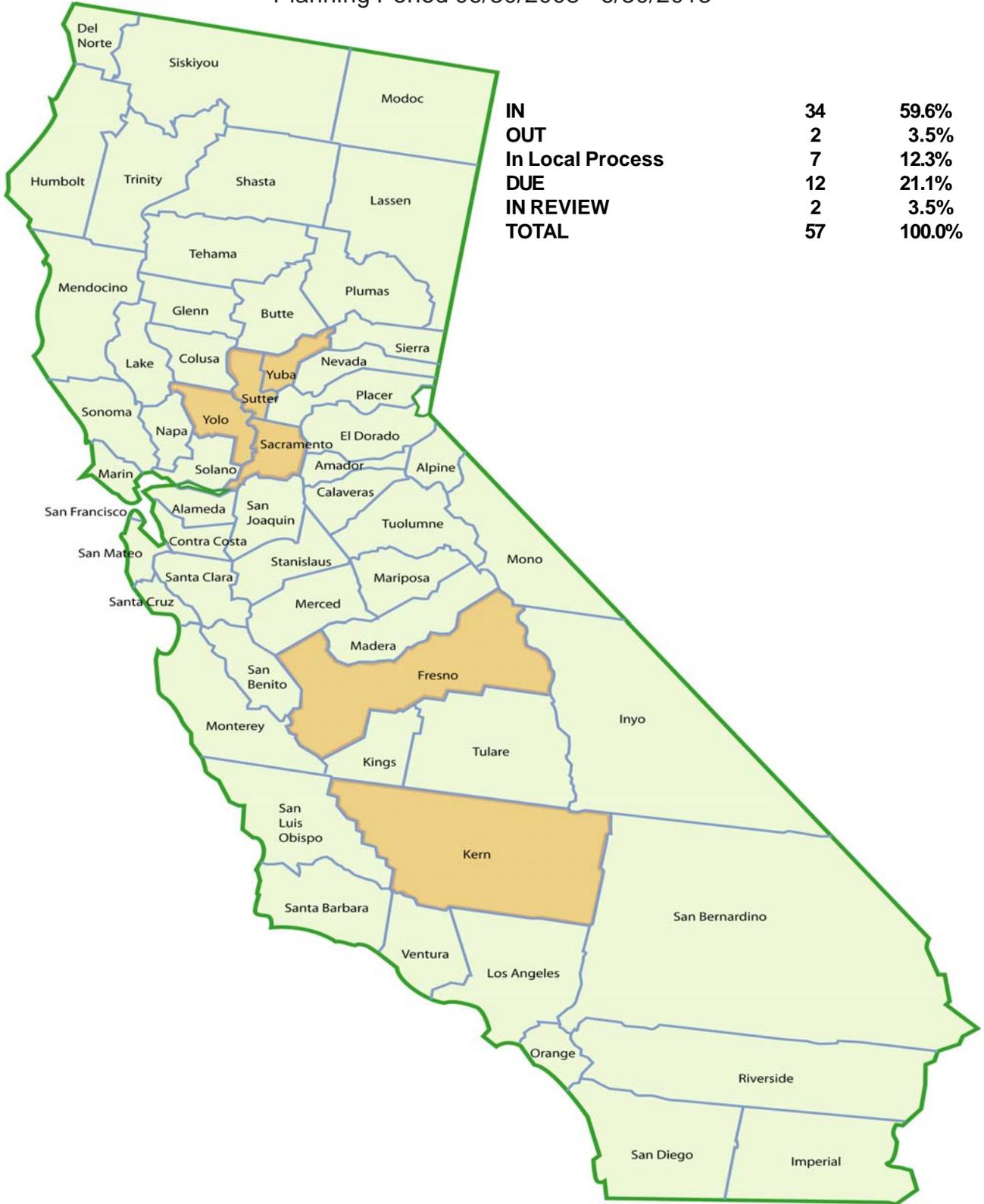
Planning Period 6/30/2009 - 6/30/2014



IN	53	48.6%
OUT	5	4.6%
In Local Process	26	23.9%
DUE	11	10.1%
IN REVIEW	14	12.8%
TOTAL	109	100.0%

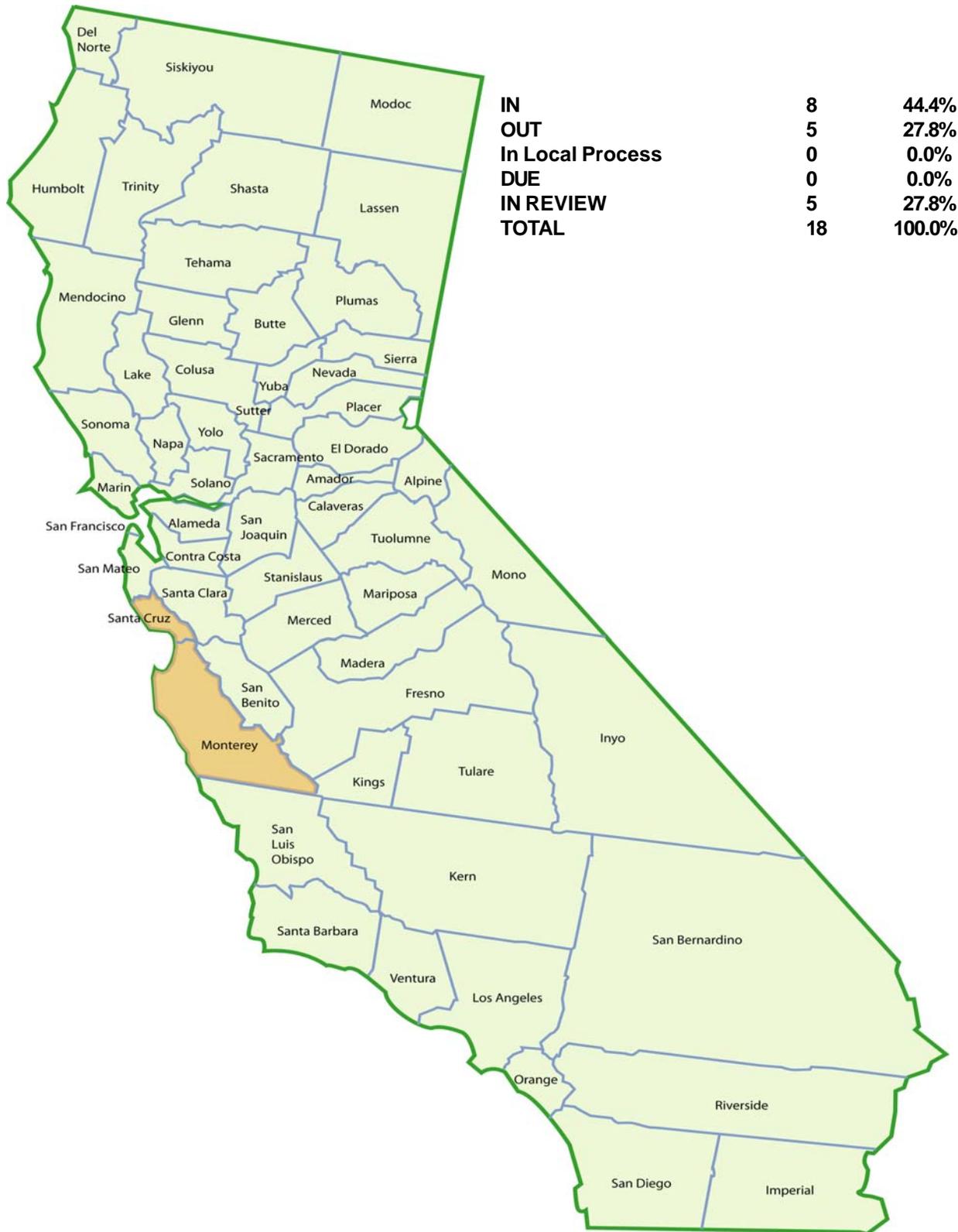
Council of Fresno County Governments, Kern County Council of Governments, and Sacramento Council of Governments (SACOG)

Planning Period 06/30/2008 - 6/30/2013



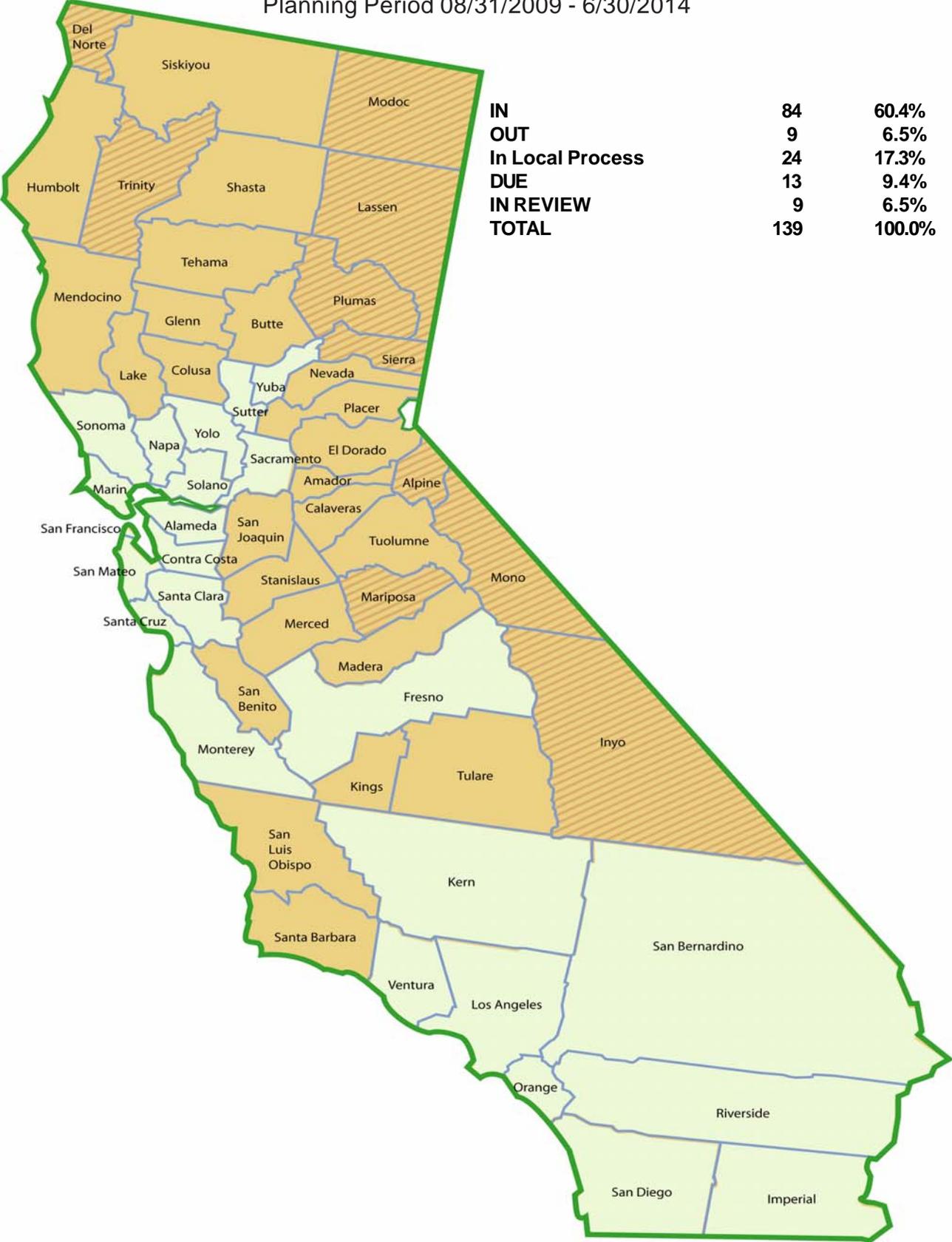
Association of Monterey Bay Area Governments (AMBAG)

Planning Period 6/30/2009 - 6/30/2014



All Other Local Governments

Planning Period 08/31/2009 - 6/30/2014



IN	84	60.4%
OUT	9	6.5%
In Local Process	24	17.3%
DUE	13	9.4%
IN REVIEW	9	6.5%
TOTAL	139	100.0%