

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

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July 15, 2024

Darrell George, City Manager
City of El Segundo
350 Main Street
El Segundo, CA 90245

Dear Darrell George:

RE: City of El Segundo's 6th Cycle (2021-2029) Adopted Housing element

Thank you for submitting the City of El Segundo's Ordinance Number 1657 which was adopted May 7, 2024 and received on May 16, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

On January 17, 2023, HCD found the adopted housing element met most of the statutory requirements of State Housing Element Law (Gov. Code, § 65580 et seq). However, the housing element could not be found in substantial compliance until the City has completed necessary rezones to address the shortfall of sites to accommodate the regional housing needs allocation (RHNA) pursuant to Government Code section 65583, subdivision (c)(1). HCD is pleased to find the City has completed actions to address the requirements that were described in HCD's January 17, 2023 review. As a result, the adopted housing element now substantially complies with State Housing Element Law.

In addition, please be aware, the recent California appellate decision in *Martinez v. City of Clovis* found that while overlays can be used in a rezone, when the base zone allows residential development, both the base zone and the overlay zone must comply with the minimum density requirements of Government Code section 65583.2, subdivision (h). The City should analyze how this decision may impact its current rezone strategy using the Housing Overlay (H-O) and may need to adjust accordingly. *Martinez v. City of Clovis* (2023) 90 Cal.App.5th 193, 307 Cal.Rptr.3d 64.

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

- Program 3 (Accessory Dwelling Units (ADU))
- Program 4 (Affordable Housing Strategy)

- Program 6 (Provision of Adequate Sites)
- Program 8 (Lot Consolidation)
- Program 9 (Code Amendments)
- Program 11 (Fair Housing)

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; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; 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.

HCD appreciates the efforts and cooperation provided throughout both the Housing element update and ordinance adoption processes. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports required pursuant to Government Code section 65400. If HCD can provide assistance in implementing the Housing element, please contact Clare Blackwell, of our staff, at Clare.Blackwell@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager