

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

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February 12, 2024

Kent Steffens, City Manager
City of Sunnyvale
456 West Olive Ave
Sunnyvale, CA 94086

Dear Kent Steffens:

RE: City of Sunnyvale's 6th Cycle (20213-2031) Adopted Housing Element

Thank you for submitting the City of Sunnyvale's (City) housing element that was adopted on December 12, 2023 and received for review on December 14, 2023. In addition, the California Department of Housing and Community Development (HCD) received Urgency Ordinance 3222-24 for review. Pursuant to Government Code section 65585, HCD is reporting the results of its review.

The adopted element meets the statutory requirements of State Housing Element Law (Gov. Code, § 65580 et seq). The adopted element was found to be substantially the same as the revised draft element that HCD's December 11, 2023 review determined met statutory requirements. However, as noted in the prior review, the housing element cannot be found in substantial compliance until the City has completed necessary rezones that meet statutory requirements as described below.

Specifically, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that did not adopt a compliant housing element within 120 days from the statutory deadline (January 31, 2023) cannot be found in compliance until rezones to make prior identified sites available or accommodate a shortfall of sites to accommodate the regional housing needs allocation (RHNA) are completed pursuant to Government Code sections 65583, subdivision (c)(1)(A) and 65583.2, subdivisions (c), (h) and (i). HCD has reviewed Urgency Ordinance 3222-24 that was completed to temporarily address these statutory requirements. However, the Urgency Ordinance do not appear to meet statutory requirements. For example, the Urgency Ordinance appears to exclude housing developments with a subdivision from by-right approval.

To address these requirements, the City should either submit zoning that meets all requirements pursuant to Government Code section 65583.2, subdivisions (c), (h) and (i) or provide additional documentation to demonstrate recent rezoning complies with these statutory requirements. HCD will review the documentation and issue correspondence identifying the updated status of the City's housing element compliance.

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 City will meet 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 hard work and dedication the City's housing element team provided throughout the housing element review. HCD is committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Shawn Danino, of our staff, at Shawn.Danino@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