

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

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October 13, 2022

Maggie Le, City Manager
City of Fountain Valley
10200 Slater Avenue
Fountain Valley, CA 92708

Dear Maggie Le:

RE: City of Fountain Valley's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Fountain Valley's (City) housing element adopted on October 4, 2022 and received for review on October 7, 2022, along with technical modifications authorized by Resolution Number 9853. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by conversations with your consultant, Colin Drukker on October 5 and 10, 2022.

HCD is pleased to find the adopted housing element in full compliance with State Housing Element Law (Article 10.6 of the Gov. Code) The adopted element, along with technical modifications, addresses the statutory requirements described in HCD's October 4, 2022 review.

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

- *Promoting Housing Choices and Affordability and Enhancing Housing Mobility in High Resourced Neighborhoods:* The City is implementing various strategies to increase housing choices and affordability in higher resourced and higher income census tracts with a specific focus on the southwest quadrant of the City. This includes targeted efforts through Programs 1a, 1c, 1d, and 1e.
- *Accessory Dwelling Units:* The City is projecting 348 ADUs to accommodate the City's regional housing needs allocation (RHNA) including 310 ADUs for lower-income households. The element proposes a suite of strong actions to ensure the City meets the production and affordability assumptions including reduced fees, proactive outreach, pre-approved plans, financing and monitoring strategies. These actions will be implemented through Program 1d.

- *Constraints for Multifamily Housing:* Through Program 3a, the City has committed to removing constraints for multifamily housing including reviewing projects with objective standards and utilizing ministerial or nondiscretionary reviews.

In addition, the element includes Program 1a committing to rezone sites to accommodate the shortfall of 4,013 units including 1,672 units for lower-income households by October 2024. Among other things, the program commits to zoning with densities of 30 units per acre and permit owner-occupied and rental multifamily uses by right for developments in which 20 percent or more of the units are affordable to lower-income households

The City must monitor and report on the results of this 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 hard work, diligence, and commitment the housing element update team, including Omar Dababhoy and your consultant, Colin Drukker, provided in the preparation of the City's housing element. HCD wishes the City success in implementing its housing element and looks forward to following its progress the General Plan annual progress reports pursuant to Government Code section 65400. If HCD can provide assistance in implementing the housing element, please contact Sohab Mehmood, of our staff, at sohab.mehmood@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager