

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

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



June 12, 2020

Scot Graham, Community Development Director  
City of Morro Bay  
955 Shasta Avenue  
Morro Bay, CA 93442

Dear Scot Graham:

**RE: Review of the City of Morro Bay's 6<sup>th</sup> Cycle (2020-2028) Draft Housing Element**

Thank you for submitting Morro Bay's (City) draft housing element received for review on April 28, 2020, along with revisions received on May 28, 2020 and June 9, 2020. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on May 19, 2020 with Amy Sinsheimer and Jennifer Gastelum, the City's consultants, as well as you and Nancy Hubbard, Contract Planner. In addition, HCD considered comments from Betty Winholtz, a community member, and the Morro Bay Action Team pursuant to Government Code section 65585, subdivision (c).

The draft element, incorporating the revisions submitted, meets the statutory requirements of State Housing Element Law. The housing element will comply with State Housing Element Law (Article 10.6 of the Gov. Code) when it is adopted, submitted to and approved by HCD, in accordance with Government Code section 65585, subdivision (g).

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of December 31, 2020. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: [http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375\\_final100413.pdf](http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly

available and considering and incorporating comments where appropriate. 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: [http://opr.ca.gov/docs/OPR\\_Appendix\\_C\\_final.pdf](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and [http://opr.ca.gov/docs/Final\\_6.26.15.pdf](http://opr.ca.gov/docs/Final_6.26.15.pdf).

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; SB 2 Planning Grants, as well as ongoing SB 2 funding (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 meets housing element requirements for these funding sources.

HCD appreciates the efforts Amy Sinsheimer from PlaceWorks provided during the course of our review. We are committed to assisting Morro Bay in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Jamillah Williams, of our staff, at (916) 263-4849.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name "Shannan" written in a larger, more prominent script than the last name "West".

Shannan West  
Land Use & Planning Unit Chief