

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

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July 11, 2022

Joseph Palombi, Director
Planning and Community Development Department
City of Montebello
1600 W. Beverly Boulevard
Montebello, CA 90640

Dear Joseph Palombi:

RE: City of Montebello 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Montebello's housing element adopted June 22, 2022 and received for review on June 24, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

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 addresses the statutory requirements described in HCD's March 16, 2022 review. HCD's finding was based on, among other reasons, a robust rezone to facilitate adequate zoned capacity for the City's regional housing needs allocation (RHNA), the removal of governmental constraints, and a suite of housing mobility and anti-displacement actions that will affirmatively further fair housing (AFFH).

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

- *Program 3 (Preservation of At-Risk Housing)* commits to monitoring the status of at-risk units, complying with noticing laws, pursuing funding if needed to preserve affordability, and assisting in nonprofit acquisition of at-risk units including annual contacting of potential partners.
- *Program 6 (Adequate Sites to Accommodate the RHNA)* commits to rezoning to allow residential uses at 40-80 units per acre on identified opportunity sites. This program also commits to monitor housing production annually; establish a pilot program for grants and loans for deed-restricted units, with a focus on high-opportunity areas; issue a request for proposal for a City-owned site; adopt residential performance standards to require 20 percent residential for identified sites; and adopt additional performance standards if not meeting residential targets for these sites.

- *Program 8 (Implement Inclusionary Zoning and Density Bonuses)* commits to adopting ordinances for inclusionary requirements and density bonus.
- *Program 9 (Zoning Ordinance Amendments)* commits the City to come into compliance with various State zoning laws, replace or modify the City's conditional use permit for residential care facilities with seven or more residents, revise the City's definition of family, and adopt a zoning ordinance update tailored to community needs regarding parks, grocery stores, neighborhood-serving retail and housing.
- *Program 11 (Objective Design Standards, Approvals By-right, and Administrative Approvals)* commits to increasing the three-unit threshold that triggers Planning Commission review, modifying setbacks and reducing parking requirements, by-right approvals for proposals with 20 percent or more affordable units for all sites in the inventory, and establishing a housing data dashboard to monitor housing production.
- *Program 12 (Streamline Development Review Process)* commits to eliminating unnecessary steps in the review process and providing town architect review services for certain affordable projects.
- *Program 14 (Affirmatively Furthering Fair Housing)* commits to adding park space in lower-resource neighborhoods, limiting commercial development to facilitate housing development in key corridors, adopting an SB 9 ordinance and pursuing funding for affordable lot splits, directing funds towards infrastructure improvements in lower-resource neighborhoods, expanding legal protections and programs designed to keep residents in place, and a variety of fair housing enforcement and outreach actions.
- *Program 15 (Reasonable Accommodation)* commits to adopting a reasonable accommodation procedure.

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.

For your information, pursuant to Senate Bill 197 (Chapter 70, Statutes of 2022), as the City failed to adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), Programs 6 (Adequate Sites to Accommodate the RHNA) and 11 (Objective Design Standards, Approvals By-right, and Administrative Approvals) must be completed no later than three years and 120 days from the statutory deadline (February 12, 2025). Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

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 wishes to commend the City's progress achieving housing element compliance for the 6th Cycle. The approved element identifies sites and program actions which will facilitate housing development at a variety of income levels throughout the jurisdiction, and will enable the City to develop compact multifamily development in anticipation of the planned Metro Gold Line Extension. HCD appreciates the City's sincere efforts in aligning its housing, climate change and equity planning goals and working with the State to achieve them.

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 and dedication that you, Planning Manager Monica Mercado-Rodriguez, and consultant Kaizer Rangwala provided throughout the course of the housing element review. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If HCD can provide assistance in implementing the housing element, please contact Colin Cross of our staff at colin.cross@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager