

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

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February 12, 2024

Randy Murphy, City Manager  
City of Solvang  
1644 Oak Street  
Solvang, CA 93463

Dear Randy Murphy:

**RE: City of Solvang's 6<sup>th</sup> Cycle (2023-2031) Adopted Housing Element**

Thank you for submitting the City of Solvang's (City) housing element that was adopted December 11, 2023, and received for review on December 14, 2023. Pursuant to Government Code section 65585, 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 substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of the date of this letter. The adopted element addresses the statutory requirements that were described in HCD's May 16, 2023 review.

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

- Program HE-F (Local Workforce/Farmworker Housing)
- Program HE-G (Density Bonus Program)
- Program HE-H (Accessory Dwelling Unit (ADU) Development)
- Program HE-J (Adequate Sites Program)
- Program HE-K (Mixed Use Development)
- Program HE-N (Affordable Housing Incentives Program)
- Program HE-O (Municipal Code Updates)
- Program HE-P (Affirmatively Furthering Fair Housing)
- Program HE-Q (Housing for Disabled Persons)
- Program HE-S (Emergency Shelters and Transitional and Supportive Housing)
- Program HE-U (Missing Middle Housing)
- Program HE-X (Anti-Displacement Strategy)
- Program HE-Y (Objective Design Standards for By-Right Multifamily Projects)

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.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City did not adopt a compliant housing element within 120 days of the statutory deadline (February 15, 2023), Programs to make prior identified sites available or address a shortfall of capacity to accommodate the regional housing need allocation (RHNA) (e.g., Program HE-J: Adequate Sites Program) must be completed no later than February 15, 2024. The City must send confirmation of the completion of the rezones and appropriate documentation including to HCD no later than February 19, 2024. Otherwise, the local government's will receive a corrective action letter warning the housing element may 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).

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 now meets housing element requirements for these and other funding sources.

HCD appreciates the hard work and dedication the housing element update team provided throughout the housing element review and update process. 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 Laurissa Wells, of our staff, at [Laurissa.Wells@hcd.ca.gov](mailto:Laurissa.Wells@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager