

**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)



August 21, 2023

Sharon Goei, Director  
Community Development Department  
City of Gilroy  
7351 Rosanna Street  
Gilroy, CA 95020

Dear Sharon Goei:

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

Thank you for submitting the City of Gilroy's housing element that was adopted on May 1, 2023. Technical modifications to the adopted element, authorized by Resolution Number 2023-26, were made available to the public for seven days and received for review on August 9, 2023. 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 substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of August 21, 2023. The adopted element, including technical modifications, address the statutory requirements described in HCD's July 6, 2023 review.

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

- Program A-1 (No Net Loss Inventory and Monitoring)
- Program A-2 (Surplus Lands/Affordable Housing on City-Owned Sites)
- Program A-3 (By-Right Approval on "Reused" RHNA Sites)
- Programs A-6 through A-9 and A-15 (Facilitate ADU Production)
- Program A-10 (Facilitate Missing Middle)
- Program A-11 (Inclusionary Housing Policy)
- Program B-3 (SB 35 Permit Processing)
- Program B-6 (Objective Standards)
- Programs C-1 and C-6 (Monitoring and Preservation of At-Risk Units)
- Program E-3 (Emergency Shelter Standards)
- Program E-4 (Low Barrier Navigation Centers)
- Program E-7 (Development and Conservation of Housing for Farmworkers)

- Program E-10 (Housing for Persons with Disabilities)
- Program E-11 (Extremely Low Income and Special Needs Households)
- Program E-13 (Permanent Supportive Housing)
- Program F-3 (Place-Based Improvements in Downtown Gilroy)
- Program F-4 (Housing Mobility and Choice in Higher Opportunity Areas)

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, 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>.

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 effort and cooperation the City's housing element team provided throughout the housing element review and update. 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 Emily Hovda, of our staff, at [Emily.Hovda@hcd.ca.gov](mailto:Emily.Hovda@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager