

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

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November 22, 2013

Mr. Gary Armstrong, Director
Economic and Development Services Department
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92628

Dear Mr. Armstrong:

RE: Review of the City of Costa Mesa's 5th Cycle (2013-2021) Draft Housing Element

Thank you for submitting the City of Costa Mesa's draft housing element update received for review on September 24, 2013, along with revisions received on November 14 and November 22, 2013. Pursuant to Government Code Section 65585(b), the Department is reporting the results of its review. A telephone conversation on October 31, 2013 with Mino Ashabi, Principal Planner, Hilda Veturis, Management Analyst, Mike Liars, CDBG/HOME Coordinator and the City's consultant, Veronica Tam, of Veronica Tam and Associates, facilitated the review. In addition, the Department considered comments from The Kennedy Commission and the Costa Mesa Affordable Housing Coalition pursuant to Government Code Section 65585(c).

The draft element meets the statutory requirements of State housing element law. The element will comply with State housing element law (Article 10.6 of the Government Code) when adopted and submitted to the Department, pursuant to Government Code Section 65585(g). The Department conducted a streamlined review of the draft housing element based on the City meeting all eligibility criteria detailed in the Department's Housing Element Update Guidance.

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2013 for SCAG localities. If adopted after this date, City will be required to revise the housing element every four years until adopting at least two consecutive revisions by the statutory deadline (Government Code Section 65588(e)(4)). For more information on housing element adoption requirements, please visit the Department's website at:
http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.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 must 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.

The Department is pleased to inform the City that 4th cycle housing element compliance meets one of the threshold requirements of the Housing Related Parks (HRP) Program which rewards local governments for approving housing affordable to lower-income households. The HRP Program, funded by Proposition 1C, provides grant funds to eligible local governments for every qualifying unit permitted since 2010. Grant awards can be used to fund park-related capital asset projects. The HRP Program 2013 Notice of Funding Availability (NOFA), released October 2, 2013, announced the availability of \$25 million in grant funds to eligible applicants. Applications are due January 22, 2014. Further information about the HRP Program is available on the Department's website at <http://www.hcd.ca.gov/hpd/hrpp/>.

The Department appreciates the hard work and dedication of the housing element team in preparing the element and looks forward to receiving Costa Mesa's adopted housing element. If you have any questions or need additional technical assistance, please contact Barbara Field, of our staff, at (916) 263-1733.

Sincerely,



Paul McDougall
Housing Policy Manager