

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

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October 2, 2025

John Della Monica, Director
Community Development Department
City of Lodi
221 West Pine Street
Lodi, CA 95240

Dear John Della Monica:

RE : City of Lodi's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for your inquiry regarding the housing element and removal of a higher density site (APN 058-030-06) from the City of Lodi's (City) rezoning program. The site is located in a higher resource area, particularly a racially concentrated area of affluence (RCAA). The purpose of this correspondence is to assist the City in its decision-making process.

On April 11, 2024, the California Department of Housing and Community Development (HCD) found the City's adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq). This finding was based on, among many other things, commitments to accommodate the City's regional housing need allocation (RHNA), policies to provide a range of housing types and densities for all economic segments and the efficient use of land, and actions to affirmatively further fair housing (AFFH).

For example, Goal H-G1 to provide a range of housing types and densities for all economic segments of the community while emphasizing efficient use of land and Policy H-P1 to promote a mix of housing types and densities are essential to meeting State Housing Element Law. Other examples of important programs include Program 1.4 (Land Inventory), Program 1.6 (Encourage Efficient Use of Land for Residential Development) and Program 1.12 (Diversify and Expand the Housing Stock). Further, Program 4.10 (Anti-Displacement Strategy) committed to increase multifamily residential opportunities throughout the City beyond capacity to meet the RHNA. In its April 11, 2024 findings, HCD reminded the City of the importance of timely and effective implementation of programs and HCD's 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.

HCD has been made aware of a proposal to remove 2057 Lower Sacramento Road (APN 058-030-06) from the City's rezoning efforts and potentially replace the site in a lower resource area. While the rezoning of the site is not necessary to accommodate the RHNA, a failure to rezone the site may be inconsistent with the City's housing element and State Housing Element Law. For example, given socio-economic patterns in the City, policies and actions to AFFH were fundamental to compliance with State Housing Element Law. These actions include promoting housing mobility (housing choices and affordability), creating new housing choices and affordability in higher opportunity and income areas (particularly RCAs) and implementing place-based strategies toward community revitalization. These actions are not limited to the RHNA and going beyond the RHNA to promote housing choices in higher resource and income areas, including West Lodi, is part of the City's obligation to AFFH. Further, several policies and programs aim to promote the efficient use of land and diversify the housing stock. Removing a higher density site from a higher resource and income area, particularly RCA, is inconsistent with the objectives of these policies and programs to AFFH and promote efficient use of land. Also, replacing the site with a site in a lower resource or income area or less efficient location from a land use perspective additionally confounds the City's obligation to AFFH and is at odds with policies and programs to encourage the efficient use of land. Such inconsistency indicates a need to amend the housing element for HCD's review pursuant to Government Code section 65585. HCD encourages the City to continue to operate in a manner consistent with the policies outlined in the adopted and substantially compliant housing element.

For your information, implementation of the housing element, including the local decision-making process, is integral to achieving the goals and objectives of the housing element and addressing the housing need of all segments of the population. Maintaining the spirit, integrity, or specifics of the housing element that was found in substantial compliance by HCD is also of the upmost importance. Any changes to the way in which housing element programs are implemented should be carefully evaluated for potential impacts on HCD's finding of substantial compliance. For example, changes could negatively impact HCD's finding of substantial compliance and therefore could require a compliance review or an amendment to the housing element that is subject to HCD review.

Changes to program implementation that may impact HCD's finding of substantial compliance or trigger an amendment to the housing element include but are not limited to introducing potential constraints on development, omitting or altering the specifics in the housing element program, or switching provisions with new provisions that are inconsistent with the integrity or specifics of the housing element program. Examples include removing and replacing sites, reducing capacity and densities, affordability requirements, removing sites from higher resource areas and introducing constraining development standards (e.g., reducing heights), such that the changes have the effect of, among other issues, reducing housing supply, increasing housing costs, failing to comply with AFFH obligations, or decreasing the ability to promote approval certainty or achieving maximum densities.

The City must monitor and report on the results of all 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.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criterion. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the 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. Taking action inconsistent with the housing element could impact the City's compliance status and eligibility for these and other funding sources.

HCD recognizes the challenges and opportunities to implement the housing element and applauds the efforts of the City in addressing the housing needs of all segments of the community. HCD looks forward to following the City's progress in implementation and appreciates the opportunity to assist the City in its decision-making. If you have any questions or need additional assistance, please contact Sayed Murad of our staff at Sayed.Murad@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "PMD" followed by a stylized surname.

Paul McDougall
Senior Program Manager