

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

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May 17, 2023

Steven G. McHarris, City Manager  
City of Milpitas  
455 East Calaveras Boulevard  
Milpitas, CA 95035

Dear Steven G. McHarris:

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

Thank you for submitting the City of Milpitas' (City) housing element that was adopted January 24, 2023 and received for review on April 7, 2023, including technical modifications authorized as part of adoption that were received May 11, 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.

As of today, HCD is pleased to find the adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq.). The adopted element with technical modifications addresses the statutory requirements described in HCD's January 10, 2023 review.

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

- Program 1 (Adequate Sites)
- Program 4 (Accessory Dwelling Units (ADU))
- Program 9 (Anti-Displacement)
- Program 10 (Place-Based Strategies for Neighborhood Improvement)
- Program 15 (Housing Opportunity Zones)
- Program 20 (Specific Plans)
- Program 21 (Zoning Amendments)
- Program 24 (Missing Middle Housing)

HCD particularly emphasizes the importance of Programs to rezone residential capacity to encourage a variety of housing types, including Program 1 (Adequate Sites) to rezone and permit multifamily housing with 20 percent affordability without discretionary action.

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.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB1) 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, cooperation and responsiveness that the City's housing element team provided throughout the housing element review and update. HCD particularly applauds the efforts of Alex Andrade whose public service is truly commendable. 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 Shawn Danino, of our staff, at [shawn.danino@hcd.ca.gov](mailto:shawn.danino@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager