

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

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JAN 12 2026 AM 11:38

December 31, 2025

Arron Brown, City Manager
City of Canyon Lake
31516 Railroad Canyon Road
Canyon Lake, CA 92587

Dear Arron Brown:

RE: City of Canyon Lake's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Canyon Lake's (City) housing element adopted November 12, 2025, and received for review on December 15, 2025 along with Resolution No. 2025-47 and Ordinance No. 266. 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 was found to be substantially the same as the revised draft element that HCD's February 7, 2025 review determined met statutory requirements. HCD's finding was based on, among other reasons, completion of Program 1.2b (Rezone and Lot Consolidation Program on Mixed-use Sites within the TCSP) to rezone sites to accommodate the regional housing need allocation (RHNA), as well as findings in Resolution 2022-09, adopted on February 9, 2022, demonstrating that existing uses on nonvacant sites in the inventory are not an impediment and will likely discontinue in the planning period.

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

- Program 1.2a: Facilitate the full buildout of the TCSP to accommodate RHNA
- Program 1.2b: Rezone and Lot Consolidation Program on Mixed-use Sites within the TCSP
- Program 1.2d: City-owned Sites/Surplus Land Act
- Program 2.1: Section 8 Housing Choice Voucher (HCV) Program
- Program 2.3: Lower-Income and Special Needs Housing Incentives Program
- Program 2.4: ADU Incentives Plan

- Program 2.5: Area Agency on Aging Outreach Program
- Program 2.7: Density Bonus Ordinance
- Program 3.1: Zoning Ordinance Amendments
- Program 3.2: Reasonable Accommodation Procedure
- Program 3.3: SB 35 Streamlining Information
- Program 3.4: Support the Development of a Variety of Housing Types
- Program 4.2: Homeowner Housing Rehabilitation Program
- Program 5.1: AFFH Outreach Program
- Program 5.3: Affirmative Fair Housing (AFHM) Marketing Plan
- Program 5.4: Displacement Risk Program
- Program 5.5: Transit Expansion Program
- Program 5.6: Equitable Quality of Life Program

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 (SB) 1 Sustainable Communities grant, the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program, HCD's Prohousing Designation Program, HCD's Prohousing Incentive 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 meets housing element requirements for these and other funding sources.

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 Land Use and Climate Innovation at: <https://www.lci.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the hard work and dedication of the housing element team in the update and review of the housing element. 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

Arron Brown, City Manager
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65400. If HCD can provide assistance in implementing the housing element, please contact Clare Blackwell, of our staff, at Clare.Blackwell@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Melinda Coy", with a long horizontal stroke extending to the right.

Melinda Coy
Proactive Housing Accountability Chief