



PENALTIES FOR RHNA NON-COMPLIANCE

HOUSING ELEMENT LAW REQUIREMENTS

- State Housing Element Law requires that cities plan for all types of housing based on the allocations they receive from the Regional Housing Needs Assessment (RHNA) process.
- The State requires this planning, in the form of having a compliant Housing Element.
- The State also requires cities to submit annual progress reports that require cities to demonstrate their compliance with their Housing Element.

WHAT ARE THE PENALTIES IF CHINO HILLS IS LATE SUBMITTING ITS HOUSING ELEMENT BY THE OCTOBER 15, 2021 DEADLINE?

- Late submittal of a Housing Element can result in Chino Hills being required to submit a four-year update to its Housing Element rather than the current eight-year cycle.

WHAT ARE THE PENALTIES IF CHINO HILLS DOESN'T FOLLOW THE STATE'S HOUSING ELEMENT REQUIREMENTS?

- Chino Hills would become ineligible for State grant funds, which could result in a loss of \$500,000-\$900,000 in grant funds applied to State required tasks that would otherwise be funded through the city's General Fund.
- The State may refer Chino Hills to the Attorney General if they do not have a compliant Housing Element, fail to comply with their HCD-approved Housing Element, or violate Housing Element laws.
- The consequences of those cases brought by the Attorney General are up to the courts but can include financial penalties.
- Because the Housing Element is one of the required components of the General Plan, a city without a compliant Housing Element may risk legal challenges to their General Plan from interested parties outside of the State.

WHAT HAPPENS IF CHINO HILLS FAILS TO COMPLETE THE REZONINGS ESTABLISHED IN ITS HOUSING ELEMENT WITHIN 3 YEARS?

- Failure to rezone in a timely manner could result in Chino Hills losing its land use authority.
- The State may investigate any local action or lack of action by Chino Hills related to its Housing Element compliance.
- Chino Hills would be required to carryover its planning for the RHNA units to the next Housing Element cycle.

WHAT ARE THE PENALTIES TO CHINO HILLS IF ENOUGH HOUSING ISN'T BUILT?

- If Chino Hills does not issue sufficient permits to meet its RHNA building goals, a developer can elect to use a ministerial process to get project approval for residential projects that meet certain conditions.
- A developer could claim rights to building housing on sites not designated by the city for housing.