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**EXEMPT FROM FILING FEES PER
GOV. CODE § 6103**

7 *Attorneys for Petitioners and Plaintiffs People*
of California ex rel. Rob Bonta, and the California
8 *Department of Housing and Community Development*

9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN BENITO

12 **PEOPLE OF THE STATE OF**
13 **CALIFORNIA; CALIFORNIA**
14 **DEPARTMENT OF HOUSING AND**
COMMUNITY DEVELOPMENT,

15 Petitioners and Plaintiffs,

16 v.

17
18 **CITY OF HOLLISTER,**

19 Respondent and Defendant.
20
21

Case No.

**[PROPOSED] STIPULATED FINAL
JUDGMENT AND ORDER**

1 Petitioners and Plaintiffs, PEOPLE OF THE STATE OF CALIFORNIA, acting by and
2 through ROB BONTA, Attorney General of the State of California, and the CALIFORNIA
3 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, and Respondent and
4 Defendant CITY OF HOLLISTER (collectively, the “Parties”), having stipulated to the entry of
5 this Stipulated Final Judgment and Order (“Judgment”) without the taking of proof and without
6 trial or adjudication of any fact or law herein, and with all Parties having waived the right to appeal;
7 and the Court having considered the pleadings and good cause appearing:

8 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

9 **PARTIES**

10 1. Petitioners and Plaintiffs, the PEOPLE OF THE STATE OF CALIFORNIA, by and
11 through its Attorney General, ROB BONTA, and the DEPARTMENT OF HOUSING AND
12 COMMUNITY DEVELOPMENT (“HCD”) (collectively, “the State”) are charged with the
13 enforcement of, among other things, the “Housing Element Law” (Gov. Code § 65580 et seq.)¹

14 2. Respondent and Defendant CITY OF HOLLISTER is a political subdivision of the
15 State of California (the “City” or “Hollister”). The City is a local governmental agency charged
16 with regulating and controlling land use and development within the City’s boundaries, including
17 but not limited to complying with all applicable provisions of state law, such as the Housing
18 Element Law.

19 **DESCRIPTION OF ACTION**

20 3. The Housing Element Law requires the City to adopt a housing element to the City’s
21 General Plan that substantially complies with the Housing Element Law’s terms for the 2023-2031
22 Planning Period (also known as the “Sixth Cycle”). (§ 65580 et seq.)

23 4. Any housing element adopted by the City must substantially comply with specific
24 statutory requirements, including ensuring that the City’s planning, programs, and ordinances do
25 not unduly constrain or impede its obligation to meet its Regional Housing Needs Allocation
26 (“RHNA”).

27
28 ¹ Unless specified otherwise, all further statutory references are to the Government Code.

1 5. The City’s deadline to adopt a housing element complaint with the Housing Element
2 Law was December 15, 2023.

3 6. The City failed to meet the deadline to adopt a Sixth Cycle housing element that
4 substantially complied with state law. To date, the City has not adopted a compliant housing
5 element.

6 7. In 2020, the City Council initiated preparation of a comprehensive update to the City’s
7 general plan. Over the next four years, the City engaged in public participation for the preparation of
8 its draft 2040 General Plan, including public workshops, committee/commission meetings, study
9 sessions, and various promotional activities.

10 8. On March 13, 2024, the City submitted an initial draft housing element to HCD for
11 review.

12 9. On June 11, 2024, HCD issued a findings letter to the City noting multiple revisions
13 necessary for the housing element to be substantially complaint with the Housing Element Law.

14 10. On December 3, 2024, the City submitted a subsequent draft to HCD for review. The
15 City also held a City Council meeting in which the City Council adopted Resolution 2024-201,
16 adopting the 2040 General Plan and certifying the Final Environmental Impact Report.

17 11. On January 21, 2025, a referendum petition was filed regarding Resolution 2024-201.

18 12. On January 31, 2025, HCD issued a second findings letter to the City noting further
19 revisions were necessary for the housing element to be compliant with the Housing Element Law.

20 13. On March 3, 2025, the City held a City Council meeting where the Council repealed
21 the adoption of the 2040 General Plan. The effect of that repeal reinstated the City’s 2005 General
22 Plan as the operative general plan. HCD believes the repeal also impacted both private and public
23 development projects which were based upon the 2040 General Plan.

24 14. On September 9, 2025, HCD issued a letter of inquiry to the City requesting a status
25 update on the housing element. The letter noted the City had not submitted any subsequent drafts
26 since HCD’s second findings letter. Additionally, HCD requested that by October 9, 2025, the City
27 provide a specific timeline for submitting an updated draft housing element and obtaining
28 compliance with the Housing Element Law.

1 15. On October 9, 2025, the City responded to HCD and provided a proposed timeline
2 which would not achieve compliance with the Housing Element Law until late 2026. That same
3 day, HCD responded that the proposed timeline was unacceptable, and demanded that a new
4 timeline must be proposed.

5 16. On October 20, 2025, the City issued a further response to HCD. The City’s response
6 failed to address the issue of timing as requested by HCD.

7 17. On November 10, 2025, HCD issued a notice of violation.

8 18. On December 17, 2025, the City submitted a revised version of its draft housing
9 element (“Revised Housing Element”) to HCD for review.

10 19. On February 13, 2026, HCD determined the Revised Housing Element met the
11 statutory requirements but could not be found in substantial compliance until the City completed
12 and submitted the necessary rezones.

13 20. On March 26, 2026, the State filed this action.

14 21. The City acknowledges that it has not timely adopted a Sixth Cycle housing element
15 and that its housing element is therefore not currently in substantial compliance with state law.

16 22. This Judgment is entered to fully resolve the claims and allegations brought by the
17 State. The State alleges that the City violated the Housing Element Law by failing to perform its
18 statutory duty to timely adopt a legally compliant housing element to its General Plan, in substantial
19 compliance with California laws governing a local jurisdiction’s obligations to do so, for the 2023-
20 2031 planning period. This Judgment is entered to fully resolve the claims and allegations made by
21 the State.

22 23. The Parties agree, solely for purposes of entry of this Judgment, that this Court has
23 jurisdiction of the subject matter hereof and over the Parties, venue is proper in this County, and
24 this Court has jurisdiction to enter this Judgment.

25 24. This Judgment is made without trial or adjudication of any issue of fact or law. The
26 Parties voluntarily enter into this Judgment in order to avoid the time, expense, and uncertainty of
27 litigation. This Judgment shall not be used by any third party as evidence or ground for claim or
28 suit.

1 transmits all adopted documents to HCD; and, (5) HCD finds the Adopted Housing Element
2 substantially compliant with the Housing Element Law and all rezones completed.

3 31. Until the adoption and finding of substantial compliance of a Seventh Cycle Housing
4 Element, the City agrees that to the extent there is any conflict or inconsistency between the housing
5 element adopted pursuant to this Judgment and any provision in any other general plan element,
6 the provisions of the housing element adopted pursuant to this Judgment shall supersede the
7 conflicting or inconsistent provisions of any other general plan element, regardless of the order in
8 which the elements are adopted.

9 32. Milestones and Conditions to Ensure Adoption of a Compliant Housing Element. The
10 Parties agree that the City shall take the following required actions to complete and adopt its Sixth
11 Cycle housing element:

12 c. By March 26, 2026, the City’s Planning Commission shall hold a hearing on the
13 Revised Housing Element.

14 d. By April 20, 2026, the City Council shall hold a hearing to adopt the Revised
15 Housing Element (the “Adopted Housing Element”) and conduct a first reading on the required
16 rezoning in compliance with the Adopted Housing Element (“Rezoning Action”).

17 e. By May 4, 2026, the City Council shall hold a public meeting to conduct a second
18 reading and adopt the Rezoning Action.

19 f. By May 5, 2026, the City shall submit all documents required by HCD for
20 certification of the Housing Element and the required rezoning. HCD shall conduct a 45-day
21 review.

22 g. By June 19, 2026, after reviewing all necessary documentation and confirming
23 completion of the Rezoning Action, HCD shall certify the Adopted Housing Element.

24 33. Public Participation Requirement. The City shall comply with all statutory
25 requirements with regard to its public participation efforts including provisions to make a diligent
26 effort to reach all economic segments of the community pursuant to Section 65583, subd. (c)(9)
27 and public noticing pursuant to Section 65585, subd. (b)(1). Nothing in this provision precludes
28

1 HCD from receiving and/or considering public comments as required pursuant to Section 65585,
2 subd. (c).

3 34. Housing Trust Fund Program. The City shall create its own local housing trust fund as
4 a mandatory program of its housing element for the development of housing affordable to extremely
5 low, very low, and low-income households, migrant housing, emergency shelters, supportive
6 housing, single-room occupancy, and transitional housing. The program must include procedures,
7 approved by HCD, by which interested parties may apply for and receive funding from the trust
8 fund. Within 30 days from when HCD finds the housing element in substantial compliance, the
9 City must submit the draft housing trust fund program to HCD and deposit a total sum of \$300,000
10 in the trust fund. Unless HCD agrees otherwise, any funds remaining in the trust fund five years
11 after the date of deposit must be transferred to the state Building Homes and Jobs Trust Fund. The
12 parties agree that timely implementation of this paragraph is a requirement of Policy Action H5.12:
13 Housing for Extremely Low-, Very Low-, and Low-Income Residents.

14 35. Projects During the Sixth Cycle.

- 15 a. For the duration of the Sixth Cycle, when the City receives a preliminary application
16 or full project application for a housing development project (as defined in Section
17 65589.5, subd. (h)(2)) that includes affordable housing, migrant housing, emergency
18 shelters, supportive housing, single-room occupancy, or transitional housing, it shall
19 notify HCD of the application and include a copy of the preliminary or full project
20 application.
- 21 b. For the duration of the Sixth Cycle, whenever the City disapproves (as defined in
22 Section 65589.5, subd. (h)(6)) any application for housing development project that
23 would include affordable housing, migrant housing, emergency shelters, supportive
24 housing, single-room occupancy, or transitional housing, the zoning administrator,
25 Planning Commission and/or City Council must make factual findings, with
26 analysis, that the disapproval is not materially inconsistent with the City's obligation
27 to affirmatively further fair housing pursuant to Section 8899.50 and that it is
28 consistent with the City's strategy to affirmatively further fair housing pursuant to

1 Section 65583. If there is disagreement regarding the sufficiency of the findings, the
2 Parties agree to meet and confer in good faith for a period of not less than 30 days
3 to resolve the matters set forth in this Section prior to seeking judicial relief.

4 **ADDITIONAL PROVISIONS**

5 36. Technical Assistance from HCD. HCD shall provide the City with technical assistance
6 with its Sixth Cycle Housing Element Revision as follows:

- 7 a. HCD staff will commit to at least 2.5 hours per month in technical assistance
8 telephone calls with the City, with additional time provided as capacity permits. In
9 connection with these technical assistance telephone calls, the City agrees to make
10 good faith, reasonable progress on the housing element revision process between
11 these calls.
- 12 b. In order to ensure efficiency in the technical assistance provided by HCD during the
13 housing element review process, the City agrees to make all revisions and edits to
14 its housing element in track changes, or to devise some other method of highlighting
15 all revisions and edits to the housing element, such that HCD can quickly identify
16 and review the City's revisions and edits
- 17 c. In order to allow the City to make timely and efficient revisions to its housing
18 element in response to HCD comments, HCD agrees each formal written findings
19 letter will consist of a single set of consolidated comments that identify specific
20 deficiencies in the City's draft housing element and that explains why these sections
21 are deficient and what specific analysis or text HCD expects the City to provide to
22 remedy the deficiency. HCD will provide the City with informal technical
23 assistance, including sample language from other certified housing elements, as
24 applicable, under separate cover from its formal written findings letters. Moreover,
25 HCD agrees that each written findings letter shall be exhaustive at the time of their
26 submission, meaning that it will not identify comments for the first time in
27 subsequent reviews that it could have raised in earlier reviews but did not identify,
28 for whatever reason. This provision does not preclude HCD from identifying new

1 comments on subsequent reviews based on information not previously available to
2 HCD in its prior review. This information includes, but is not limited to, third party
3 comments, revisions to the housing element, and information from the City itself.

4 d. To the extent that HCD is unable to meet its specific deadlines set forth herein, the
5 deadlines for the City’s performance shall be extended to account for delays
6 attributable to HCD’s failure to meet a specific deadline

7 37. Compliance with No Net Loss. The City shall maintain sites sufficient to accommodate
8 Regional Housing Needs Allocation throughout the Sixth Cycle planning period consistent with
9 Section 65863.

10 38. Compliance with Duty to Affirmatively Further Fair Housing. The City shall
11 administer its programs and activities relating to housing and community development in a manner
12 to affirmatively further fair housing, and to take no action that is materially inconsistent with its
13 obligation to affirmatively further fair housing, consistent with Section 8899.50.

14 39. Compliance with Permit Streamlining Act for Preliminary Applications. The City shall
15 timely process and take action on all applications submitted pursuant Section 65941.1.

16 40. CEQA. Consistent with Section 65759, the City shall be exempt from compliance with
17 CEQA in connection with all of the actions it is required to undertake pursuant to the preceding
18 paragraphs, if it complies with the requirements of Section 65759, including an environmental
19 assessment.

20 41. Because the City has not had an adopted sixth cycle housing element by December 15,
21 2023, the City shall not use the provisions in subdivision (d)(1) or (d)(5) of Section 65589.5 to
22 disapprove a housing development project that qualifies for approval under those provisions—that
23 is, a housing development project under section 65589.5, subdivision (h)(2) with housing for lower
24 income households, mixed-income households, or moderate-income households under Section
25 65589.5, subdivision (h)(3)—or to condition the approval of such a project in a manner that renders
26 it infeasible for development for the use of very low, low-, or moderate-income households, or an
27 emergency shelter, including through the use of design review standards, until such time as the City
28 has a certified Sixth Cycle Housing Element.

1 **ENFORCEMENT OF JUDGMENT AND REMEDIES**

2 42. Failure to Comply with Agreed-Upon Terms. The City’s failure to comply with the
3 terms of this Judgment subject it to the provisions set forth under Section 65755, sub. (a) (or any
4 other remedy available at law), in accordance with the terms herein.

5 43. Remedies Upon Violation. Immediately upon the City’s failure to comply with any of
6 the terms of this Judgment, following notice and an opportunity to cure, the State may file an order
7 to show cause on an *ex parte* basis with the Court. Following a hearing on the matter and upon a
8 finding by the Court that the City failed to comply with any of the terms in this Judgment, the Court
9 shall elect any or all provision(s) set forth under Section 65755, subdivision (a) (or any other
10 remedy available at law), as remedies for the City’s violation(s). Should the City continue to fail to
11 comply with any of the terms of this Judgment within a reasonable period following a court order,
12 the State may then file a renewed order to show cause seeking any additional remedy under Section
13 65755, and any other remedy available at law.

14 44. Opportunity to Cure. Prior to enforcing this Judgment, the State shall provide written
15 notice identifying the terms with which the City has failed to comply. The State shall allow a
16 reasonable time to cure of 15 business days after the City’s receipt of written notice before seeking
17 enforcement of this Judgment. To the extent the City must call a special session of its governing
18 bodies (including the City Council) to timely cure any failure to comply with this Judgment, the
19 City shall call such special session.

20 45. Civil Penalties Held in Abeyance. The City acknowledges and agrees that civil
21 penalties set forth in Section 65009.1, subdivision (a) shall be assessed on the City beginning from
22 January 1, 2025. These penalties shall be assessed at the statutory minimum of \$10,000 per month
23 for all months from January 1, 2025, until the City’s housing element has been certified by HCD.
24 These civil penalties shall be held in abeyance unless and until, after the cure period, the City fails
25 to comply with any of its obligations contained herein. For each successive month after May 4,
26 2026 in which the City fails to comply with the terms of this Judgment, the Court shall modify this
27 judgment pursuant to Government Code section 65009.1, subdivision (d)(2). If the City
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1 successfully satisfies the terms of the Judgment, the City will not be liable for fines under Section
2 65009.1.

3 46. Additional Remedies Upon Wrongful Denial or Imposition of Conditions on Housing
4 Development Projects. In the event the City is found by a court of competent jurisdiction to have
5 wrongfully denied or imposed improper conditions on any housing development projects (as
6 defined in Section 65589.5, subdivision (h)(2)) before satisfying the Judgment, the Court shall
7 immediately impose the fine set forth under Section 65589.5, subdivision (k)(1)(B), and shall
8 escalate those penalties pursuant to subdivisions (k)(1)(C) and (l), until the City has complied with
9 the terms of the Judgment.

10 47. Statutory Penalty Pursuant to Government Code 65585. In the event that the City does
11 not adopt a Sixth Cycle Housing Element that HCD or the Court determines substantially complies
12 with the law within 12 months of entry of this Judgment and after the Court conducts the required
13 status conference and makes the findings required, the statutory penalties under Section 65585,
14 subdivision (l)(1), shall apply. The parties agree that the terms of Section 65585, subdivision (m)
15 shall apply here. The City agrees that nothing that has occurred before the entry into force of this
16 Judgment shall constitute the sole basis for any claim for mitigation under Subdivision (m) of
17 Section 65585. Continued failure by the City to bring its Sixth Cycle Housing Element into
18 substantial compliance with the Housing Element Law will entitle the State to pursue further
19 penalties in accordance with, subdivision (l) of Section 65585.

20 48. Nothing in this Judgment shall be construed to preclude the City from seeking a judicial
21 determination on whether the City's housing element substantially complies with the Housing
22 Element Law in the event that HCD, pursuant to Section 65585, subdivision (h), does not find the
23 adopted housing element substantially compliant with the Housing Element Law. If the City seeks
24 a judicial determination on whether the City's housing element substantially complies with the
25 Housing Element Law, the City may file a motion staying enforcement of this judgment. The State
26 reserves the right to oppose such a request on any basis

1 **Satisfaction of Judgment and Release**

2 49. Execution of this Judgment shall constitute full and final resolution of all disputes
3 related to this action.

4 50. Nothing in this Judgment shall be construed to limit the authority or ability of the
5 Attorney General to assert its right to protect the interests of the State of California or the people
6 of the State of California. This Judgment shall not bar the Attorney General or HCD from
7 investigating and enforcing laws, regulations, or rules against the City for conduct not covered by
8 this Judgment. Further, nothing in this Judgment precludes or affects the Attorney General’s right
9 to determine and ensure compliance with this Judgment.

10 51. This Judgment shall be deemed satisfied once all obligations under the provisions of
11 this Judgment are fulfilled. Upon mutual written agreement between the Parties that all obligations
12 of this Judgment have been satisfied, the City shall file with the Court, and serve, an
13 “Acknowledgement of Satisfaction of Judgment.” If not before then, this Judgment shall be deemed
14 satisfied upon a finding of substantial compliance by HCD of City’s Seventh Cycle housing
15 element, provided that all funds from the Housing Trust Fund established per Paragraph 34 has
16 been expended or transferred to the State Building Homes and Trust Fund.

17 52. With the exception of the provisions on enforcement and remedies set forth in this
18 Judgment, this Judgment releases and forever discharges any civil claim for damages, costs,
19 attorneys’ fees, or penalties of any kind against the City by HCD and the People related to the
20 City’s Sixth Cycle Planning Period.

21 53. The Attorney General, representing both the People and HCD in this action, executes
22 this release in their official capacity and releases only claims belonging to the Attorney General
23 and HCD.

24 54. The Parties shall bear their own fees and costs.

25 55. This Judgment may be enforced only by the Parties hereto.

26 **Miscellaneous Provisions**

27 56. Nothing in this Judgment shall be construed as relieving the City of the obligation to
28 comply with all applicable local, state, and federal laws, regulations, or rules.

1 57. If any portion of this Judgment is held invalid by operation of law, the remaining terms
2 of this Judgment shall not be affected and shall remain in full force and effect.

3 58. The terms of this Judgment shall be governed by the laws of the State of California.

4 59. This Judgment contains the complete agreement entered into by the Attorney General,
5 HCD, and the City related to the conduct at issue. No promises, representations, or warranties other
6 than those set forth in this Judgment have been made by the Attorney General, HCD, or by the City.
7 This Judgment supersedes all prior communications, discussions, or understandings regarding the
8 City's alleged conduct.

9 60. This Judgment may be modified by a stipulation of the Parties as approved by the
10 Court, or by court proceedings resulting in a modified judgment of the Court.

11 61. Any failure by any party to this Judgment to insist upon the strict performance by any
12 other party of any of the provisions of this Judgment shall not be deemed a waiver of any of the
13 provisions of this Judgment, and such party, notwithstanding such failure, shall have the right
14 thereafter to insist upon the specific performance of any and all of the provisions of this Judgment.

15 62. The use of headings in this Judgment is only for ease of reference, and the headings
16 have no legal effect and are not to be considered part of this Judgment.

17 63. Jurisdiction is retained by the Court, under Code of Civil Procedure section 664.6, for
18 the purpose of enabling any party to this Judgment to apply to the Court at any time for such further
19 orders and directions as may be necessary or appropriate for the construction or carrying out of this
20 Judgment for enforcement of compliance herewith, and for the punishment of violations hereof, if
21 any.

22 64. All notices shall be provided in writing to the following email and overnight mail.

23 For the City:

24 City of Hollister
25 ATTN: Office of the City Manager
26 375 5th Street,
27 Hollister, CA 95025
28 Email:

With a Copy to:

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Jennifer P. Thompson
Lozano Smith, Attorneys at Law
733 Marsh Street, Suite 200
San Luis Obispo, CA 93401
JThompson@lozanosmith.com

For the State:

Department of Housing and Community Development
ATTN: Melinda Coy
651 Bannon Street, Suite 400
Sacramento, CA 95811
Melinda.Coy@hcd.ca.gov

With a Copy to:

David Pai
California Department of Justice, Office of the Attorney General
1515 Clay Street, Fl. 20
Oakland, CA 94612
David.Pai@doj.ca.gov

John M. Natalizio
California Department of Justice, Office of the Attorney General
300 S. Spring Street, Ste. 1702
Los Angeles, CA 90013
John.Natalizio@doj.ca.gov

65. The Clerk is ordered to enter this Judgment forthwith.

APPROVAL BY COURT

APPROVED FOR FILING and SO ORDERED this ___ day of _____, 2026.

Judge of the Superior Court