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10		E STATE OF CALIFORNIA
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13	PEOPLE OF THE STATE OF	Case No. 24STCP03551
14	CALIFORNIA; CALIFORNIA DEPARTMENT OF HOUSING AND	[Assigned for all purposes to Judge James C. Chalfant; Dept. 85]
15	COMMUNITY DEVELOPMENT,	[PROPOSED] STIPULATED FINAL
16	Petitioners and Plaintiffs,	JUDGMENT AND ORDER
17	v.	
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19	CITY OF NORWALK,	
20	Respondent and Defendant.	
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Petitioners and Plaintiffs, PEOPLE OF THE STATE OF CALIFORNIA, acting by and through ROB BONTA, Attorney General of the State of California, and the CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, and Respondents and Defendants CITY OF NORWALK (collectively, the "Parties"), having stipulated to the entry of this Final Judgment and Order ("Judgment") without the taking of proof and without trial or adjudication of any fact or law herein, and with all Parties having waived the right to appeal; and the Court having considered the pleadings and good cause appearing:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

PARTIES

- 1. Petitioners/Plaintiffs, the PEOPLE OF THE STATE OF CALIFORNIA, by and through its Attorney General, ROB BONTA, and the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ("HCD") (collectively, "the State") are charged with the enforcement of, among other things, the "Housing Element Law" (Gov. Code § 65580 et seq.)¹
- 2. Respondent/Defendant CITY OF NORWALK is a political subdivision of the State of California (the "City" or "Norwalk"). The City is a local governmental agency charged with regulating and controlling land use and development within the City's boundaries, including but not limited to complying with all applicable provisions of state law, such as the Housing Element Law.

DESCRIPTION OF ACTION

- 3. On August 6, 2024, the Norwalk City Council adopted Urgency Ordinance 24-1752U, which enacted a moratorium on developing emergency shelters, supportive housing, single-room occupancy, and transitional housing ("Shelter and Supportive Housing"), along with other land uses (the "Moratorium").
- 4. On September 16, 2024, HCD issued a Notice of Violation to the City which claimed the Moratorium violated numerous state laws, including the urgency ordinance statute (§ 65858), the Housing Element Law (§ 65580 et seq.), the Housing Crisis Act (§ 66300), the Anti-

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

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16. If a separate entity is established or reorganized so that its functions include overseeing or otherwise reviewing the operations of the City or any aspect thereof, the City agrees to ensure these functions and entities are consistent with the terms of this Judgment and will incorporate the terms of this Judgment into the oversight or review functions of the entity as necessary to ensure consistency.

THE PARTIES' OBLIGATIONS

17. <u>Repeal Moratorium</u>. At the next regularly scheduled City Council meeting after receipt of the notice of entry of judgment, or at a special meeting called by the City Council, the City shall hold a public hearing for the City Council to repeal the Moratorium on Shelter and Supportive Housing included in Urgency Ordinances 24-1752U and 24-1753U.

18. Notices and Announcements.

- a. For the duration of Norwalk's Sixth Housing Element Cycle (2021-2029) ("Sixth Cycle"), the City shall maintain prominent links to the Housing Accountability Unit Portal on its Planning Department webpage and Planning Application webpage, with the following statement: "The California Department of Housing and Community Development accepts requests for reviews of potential violations of state housing laws via their online Housing Accountability Unit Portal accessible from their webpage: https://www.hcd.ca.gov/planning-and-communitydevelopment/accountability-and-enforcement."
- b. Within 15 business days after receipt of the notice of entry of judgement, the City shall post and maintain on its official website for 180 days the following statement: "On [date of repeal of the moratorium], the City of Norwalk repealed the moratorium on establishing, implementing, or operating emergency shelters, supportive housing, single-room occupancy housing, and transitional housing that had been included in Urgency Ordinances 24-1752U and 24-1753U. The City is now accepting all such applications without the waiver or exemption requirements set forth in the foregoing Urgency Ordinances." The statement shall be posted (i) in the "Community Updates" section of the City's official website

(https://www.norwalk.org/newslist.php) and (ii) at the top of the City's Community

Development homepage
(https://www.norwalk.org/departments_services/community_development/index.p
hp), with the statement published in formats and fonts consistent with and as prominent as other comparable statements in the same position on the same webpage.

- c. Within 15 business days after receipt of the notice of entry of judgement, the City shall send the statement included in Section 18(b) of this Judgment to the four developers identified in the City's housing element's "development interview summary" and up to ten additional developers as decided in collaboration between the City and HCD.
- d. Within 15 business days after receipt of the notice of entry of judgement, the City shall send the statement included in Section 18(b) of this Judgment to any City employee or official whose work involves the City's zoning, planning, or land use policies and practices related to Shelter and Supportive Housing, including every member of the Planning Commission and City Council.

19. Reports Regarding Affordable Housing and Shelter and Supportive Housing Projects.

- a. For the duration of the Sixth Cycle, the City shall notify HCD about the status of proposed housing projects that include affordable housing or Shelter and Supportive Housing via a quarterly report that includes the following information:
 - i. When the City receives a preliminary application or full project application for a housing development that includes affordable housing or Shelter and Supportive Housing, including a copy of the preliminary or full project application.
 - ii. When a project applicant withdraws an application, reduces the density, reduces the number of units set aside as affordable for lower-income households, or changes the target population serviced by the project (e.g., a removal of any supportive housing services from the project).

- iii. When the City denies an application for any reason or makes a determination of inconsistency or conflict with any applicable standard pursuant to Sections 65589.5 (HAA), 65913.4(c) (SB 35), 65912.114(a)(2) and 65912.124(a)(2) (AB 2011), 65664 (By-Right Low Barrier Navigation Centers), or 65651 (By-Right Supportive Housing).
- iv. When the City denies a density bonus, incentive/concession, or waiver under Section 65915 (Density Bonus Law).
- b. The quarterly reports shall be emailed to HCD at the following address: HAUportal@hcd.ca.gov. HCD may change the delivery address by providing the City not less than thirty (30) days' written notice of a new delivery address.
- c. The City agrees to meet with HCD to discuss the report upon request by HCD. The request for a meeting shall be made to the following contacts: Community Development Director. The City agrees to meet with HCD within five business days of HCD's requests.

20. Findings on Future Projects.

- a. For the duration of the Sixth Cycle, whenever the City disapproves any application for housing development that would include affordable housing or Shelter and Supportive Housing, the zoning administrator, Planning Commission and/or City Council must make factual findings, with analysis, that the disapproval is not materially inconsistent with the City's obligation to affirmatively further fair housing pursuant to Section 8899.50 and that it is consistent with the City's strategy to affirmatively further fair housing pursuant to Section 65583.
- b. If there is disagreement regarding the sufficiency of the findings, the Parties agree to meet and confer in good faith for a period of not less than 30 days to resolve the matters set forth in this Section prior to seeking judicial relief.
- 21. <u>Financial Contribution</u>. Within 60 days after receipt of the notice of entry of judgment, the City shall create its own local housing trust fund for the development of housing affordable to extremely low, very low, and low-income households, and Shelter and Supportive Housing. Within

30 days from the creation of the fund, the City must deposit a total sum of \$250,000 and submit to HCD proposed procedures by which interested parties may apply for and receive funding from the trust fund. The City and HCD shall work together in good faith to ensure that these procedures are calculated to ensure the funds in the trust fund are used expeditiously to support the creation of affordable housing and/or Shelter and Supportive Housing in Norwalk.

22. <u>Housing Element Revisions, Implementation, and Recertification</u>.

- a. Within three business days after the City repeals the Moratorium on Shelter and Supportive Housing, HCD shall recertify the City's housing element, subject to the following conditions:
 - i. By December 31, 2025, the City must completely implement all necessary housing element programs for which the implementation schedule deadline included in the housing element has passed, as set forth in this Section. The following housing element programs must be implemented: Programs 1.1, 1.4, 1.5, 3.1, 3.4, and 3.5.
 - Within 14 days after implementation of all the above referenced housing element programs, the City must submit the materials to HCD for review and approval.
 HCD will review the submitted materials within 45 days and provide the City with either further guidance necessary to implement the programs or an acknowledgement of successful program completion.
 - iii. The City and HCD will meet regularly to obtain status updates and progress towards implementation.
 - iv. Within 30 days after recertification, the City must submit an amended housing element to HCD that includes the following:
 - Acknowledgment of HCD's correspondence with the City regarding the Moratorium;
 - 2. Acknowledgment of the Moratorium's disproportionate impact on special needs populations, including persons experiencing homelessness, and its

- inconsistency with the City's obligation to affirmatively further fair housing;
- Program(s) to monitor and address any future action that may impact
 persons with special needs and to proactively coordinate with the County
 and state to address the needs of persons experiencing homelessness.
- v. Within 14 business days of submission, HCD will provide a technical assistance review of the amended housing element and any subsequent revisions. Within 14 business days of any HCD technical assistance review, the City will submit subsequent revision, provided that the revisions can be reasonably completed and submitted within 14 business days. If additional time is required, the City and HCD will meet and confer to discuss a mutually convenient timeline for submission and completion.
- vi. Within 60 days of the receipt of HCD's written findings, the City must adopt the amended housing element and submit to HCD. HCD will expedite, to the extent possible, review of the revisions of the adopted housing element.
- b. Following confirmation by HCD that the revisions included in the adopted housing element satisfy the terms of the Judgment and that all necessary programs have been implemented on the required schedule, the City will have satisfied its obligations to maintain recertification under this Judgment.
- c. The City acknowledges and agrees that, in addition to any enforcement provisions set forth in this Judgment, if the City fails to timely and wholly comply, to the satisfaction of HCD, with any term of this Judgment, then HCD shall have the right, in its sole discretion, to decertify the City's housing element until all provisions of this Judgment have been satisfied.

Enforcement of Judgment and Remedies

23. <u>Failure to Comply with Agreed-Upon Terms</u>. The City's failure to comply with the terms of this Judgment subject it to the provisions set forth under Section 65755, sub. (a) (or any other remedy available at law), in accordance with the terms herein.

- 24. Remedies Upon Violation. Immediately upon the City's failure to comply with any of the terms of this Judgment, following notice and an opportunity to cure, the State may file an order to show cause on an *ex parte* basis with the Court. Following a hearing on the matter and upon a finding by the Court that the City failed to comply with any of the terms in this Judgment, the Court shall elect any or all provision(s) set forth under Section 65755, subdivision (a) (or any other remedy available at law), as remedies for the City's violation(s). Should the City continue to fail to comply with any of the terms of this Judgment within a reasonable period following a court order, the State may then file a renewed order to show cause seeking any additional remedy under Section 65755, and any other remedy available at law.
- 25. Opportunity to Cure. Prior to enforcing this Judgment, the State shall provide written notice identifying the terms with which the City has failed to comply. The State shall allow a reasonable time to cure of 15 business days after the City's receipt of written notice before seeking enforcement of this Judgment. To the extent the City must call a special session of its governing bodies (including the City Council) to timely cure any failure to comply with this Judgment, the City shall call such special session.
- 26. <u>Civil Penalties Held in Abeyance</u>. The civil penalties set forth in Section 65009.1, subd. (a) shall be assessed on the City beginning from August 6, 2024 (date of urgency ordinance adoption) but held in abeyance unless and until the City fails to comply with the terms of this Judgment. These penalties shall be assessed at the statutory minimum of \$10,000 per month for all months through and including the date of repeal of the Moratorium. Penalties shall become immediately due upon the City's failure to meet any of the terms of this Judgment. For each successive month after the initial failure to comply in which the City fails to comply with the terms of this Judgment, the Court shall modify this judgment pursuant to Section 65009.1, subd. (d)(2).

Satisfaction of Judgment and Release

- 27. Execution of this Judgment shall constitute full and final resolution of all disputes related to this action.
- 28. Nothing in this Judgment shall be construed to limit the authority or ability of the Attorney General to assert its right to protect the interests of the State of California or the people

of the State of California. This Judgment shall not bar the Attorney General or HCD from investigating and enforcing laws, regulations, or rules against the City for conduct not covered by this Judgment. Further, nothing in this Judgment precludes or affects the Attorney General's right to determine and ensure compliance with this Judgment.

- 29. This Judgment shall be deemed satisfied once all obligations under the provisions of this Judgment are fulfilled. Upon mutual written agreement between the Parties that all obligations of this Judgment have been satisfied, the City shall file with the Court, and serve, an "Acknowledgement of Satisfaction of Judgment."
- 30. With the exception of the provisions on enforcement and remedies set forth in this Judgment, this Judgment releases and forever discharges any civil claim for damages, costs, attorneys' fees, or penalties of any kind against the City by HCD and the People related to the City's Moratorium.
- 31. The Attorney General, representing both the People and HCD in this action, executes this release in their official capacity and releases only claims belonging to the Attorney General and HCD.
 - 32. The Parties shall bear their own fees and costs.
 - 33. This Judgment may be enforced only by the Parties hereto.

Miscellaneous Provisions

- 34. Nothing in this Judgment shall be construed as relieving the City of the obligation to comply with all applicable local, state, and federal laws, regulations, or rules.
- 35. If any portion of this Judgment is held invalid by operation of law, the remaining terms of this Judgment shall not be affected and shall remain in full force and effect.
 - 36. The terms of this Judgment shall be governed by the laws of the State of California.
- 37. This Judgment contains the complete agreement entered into by the Attorney General, HCD, and the City related to the conduct at issue. No promises, representations, or warranties other than those set forth in this Judgment have been made by the Attorney General, HCD, or by the City. This Judgment supersedes all prior communications, discussions, or understandings regarding the City's alleged conduct.

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1	Los Angeles, CA 90013 John.Natalizio@doj.ca.gov
2	43. The Clerk is ordered to enter this Judgment forthwith.
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1	APPROVAL BY COURT
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3	APPROVED FOR FILING and SO ORDERED this day of, 2025.
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6	Judge of the Superior Court
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