



Agenda Report

19-1101

Agenda Date: 10/8/2019

REPORT TO COUNCIL

SUBJECT

Direction on Santa Clara's Participation in Collaborative Efforts by the Cities Association of Santa Clara County to Address the Regional Housing Need Allocation

BACKGROUND

Under state law, the California Department of Housing and Community Development (HCD) identifies the total statewide housing need at all income levels and assigns a corresponding regional allocation of housing units to each of the State's Councils of Governments (COGs) for an eight-year period to meet this need. In the Bay Area, the Association for Bay Area Governments (ABAG) is the COG. Once HCD assigns a quantified housing goal to each COG, the COGs then distribute a share of the region's housing need to each city, town and county in the region. This state-mandated housing goal is called the Regional Housing Need Allocation, or RHNA, and is the basis of each jurisdiction's housing element.

Although this is the standard process for establishing RHNAs, there is also a process for local jurisdictions to form a subregion through which participating cities and counties cooperatively allocate their subregion's RHNA units. A subregion cannot change its overall allocation, but can develop a methodology, consistent with state law, to distribute the total allocation amongst the jurisdictions in the subregion. The most common subregion is a single county plus each of the cities in that county, though a subregion can also consist of other combinations of contiguous local governments.

The Cities Association of Santa Clara County (Cities Association) is an association of the 15 cities of the county that meet monthly to collaborate on issues that affect each jurisdiction. In 2015, the Cities Association set up a RHNA Task Force for the purpose of determining whether to pursue the formation of a RHNA subregion prior to the next eight-year RHNA period, 2023-2031. The intent of the RHNA Subregion Task Force is to allow local governments and the County to cooperatively re-distribute State mandated affordable housing allocations within the region with the intent to better facilitate and implement countywide housing production and to provide an opportunity for unified advocacy around housing production issues.

DISCUSSION

For several years the Cities Association has been discussing the formation of a RHNA subregion and formally initiated the process in mid-2018. In June of 2018 the Cities Association asked local jurisdictions including Santa Clara to adopt a Resolution in support of or in opposition to the formation of a Regional Housing Needs Allocation (RHNA) subregion for Santa Clara County. The Santa Clara City Council voted on September 18, 2018 to participate in and support this effort. Following similar actions by other jurisdictions within the County, the Subregion Task Force began preparation of a Memorandum of Understanding (MOU) to form a RHNA sub-region with the intent that each jurisdiction adopt the MOU and the subregion formation process could be commenced by early 2020.

On September 6, 2019 new information was shared by ABAG regarding the timeline for establishing a RHNA subregion. Specifically, state statutes created different timelines for independent subregions versus a COG. Previously, the Subregion Task Force understood that the subregion process would need to be completed by the end of 2022; however, it is now understood that they were working off an incorrect timeline and in actuality only have until January 2021 to complete the process. Because of this change, the Subregion would not have access to the ABAG RHNA allocations and would need to develop its own methodology by February 2020 for determining a distribution of units. This shortened timeline is unrealistic for forming a RHNA subregion.

At the September 12, 2019 Cities Association of Santa Clara County Board of Directors (CASCC Board of Directors) meeting, the CASCC Board of Directors was intending to discuss four potential alternatives for formation of a subregion, but with the new information it was communicated that two of the alternatives ("RHNA All-in" and "RHNA Light") were no longer feasible. At the conclusion of the CASCC Board of Directors meeting the CASCC Board of Directors decided to discuss the remaining two alternatives ("Planning Collaborative" and "Do Nothing") at their October 10, 2019 meeting. This report is being provided to the City Council to provide information in advance of the October 10 CASCC Board of Directors meeting on the following remaining alternatives:

1. "Planning Collaborative: Embrace the goals of working as a region without forming the RHNA subregion and instead form a planning collaborative to further positive outcomes to the housing and homelessness challenges faced in Santa Clara County. Similar to San Mateo County's 21 Elements initiative, increase collaborative efforts among the County's jurisdictions. Collaboration opportunities may include planning, housing element, "Home for All"/Accessory Dwelling Units (ADUs) effort, RV dwellers, homelessness, and legislative guidance by consultants. Initial investment cost per jurisdiction is estimated at \$3,000."
2. "Do nothing: No effort, no cost, no changes to outcomes."

At this meeting the Cities Association Executive Board may vote on either of the two above options or send the item back to the RHNA Subregion Task Force to further study and define a planning collaborative.

The full scope of the Planning Collaborative option has yet to be determined. The Cities Association has prepared a list of potential activities (Attachment 1) that range from initiating the development of a methodology to allow formation of a RHNA subregion for a future RHNA cycle to the sharing of resources to work collaboratively on a variety of activities to support housing production. Collaborative efforts could include sharing consultant costs to support the production of each jurisdiction's Housing Element for the upcoming RHNA cycle or to produce outreach materials such as a brochure on how to construct an Accessory Dwelling Unit (ADU). The alternative references San Mateo County's 21 Elements, a local example of subregion that engages in this type of collaboration and which has also previously allowed transfer of allocations between participating jurisdictions.

Staff had concerns with the draft MOU on formation of a subregion that was distributed in advance of the September CASCC Board of Directors meeting because the MOU did not clearly outline the

process for determining each jurisdiction's allocation nor did it clearly indicate what would happen if a jurisdiction within the County choose not to participate. These concerns were communicated to the Cities Association staff by letter on August 28, 2019 (Attachment 2). Similar communications were also sent by staff from the City of Sunnyvale and the County. Staff continues to be concerned that formation of a subregion is a very complicated process which could alter each city's affordable housing obligation and which may not be the best approach for the City of Santa Clara as the City is fully committed to the production of the City's share of affordable housing within our jurisdictional boundaries.

For the October 10 CASC Board of Directors meeting staff recommends that the City support formation of a planning collaborative. This approach will allow the City to continue to be visibly active and to have a leadership role at the County level in meeting the region's housing needs. Staff also recommends that it be communicated to the CASC Board of Directors that the City would like to better understand the full intent and scope of such a collaboration as the City is not committed at this time to the formation of RHNA subregion.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

At this time, there is no impact to the City other than administrative staff time.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Direct staff to work with the Cities Association RHNA Task Force on a planning collaborative.
2. Direct staff to not participate in a planning collaborative.
3. Any other direction by the City Council

RECOMMENDATION

Alternative 1:

Direct staff to work with the Cities Association RHNA Task Force on a planning collaborative.

Reviewed by: Andrew Crabtree, Director, Community Development Department
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Planning Collaborative Outline
2. August 28, 2019 Letter to the Cities Association Staff