



Agenda Report

18-1139

Agenda Date: 9/18/2018

REPORT TO COUNCIL

SUBJECT

Action on Supporting the Regional Housing Needs Allocation Sub-Region Formation

BACKGROUND

The City of Santa Clara has been requested by the Cities Association of Santa Clara County (Cities Association) to adopt a Resolution in support of or in opposition to the formation of a Regional Housing Needs Allocation (RHNA) sub-region for Santa Clara County. The sub-region would 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.

The Cities Association represents the mutual interests of the 15 cities in Santa Clara County. Through the Cities Association, city leaders network, collaborate, research policy, and work side by side on issues of mutual local interest. The Cities Association Board of Directors annually adopts priorities and in November 2015, approved the formation of a subcommittee tasked with: 1) Developing the framework and process needed to form and implement a sub-region in Santa Clara County in the next RHNA cycle (2023-2031); and 2) Reviewing potential options for further regional response.

At the June 14, 2018 Cities Association Board of Directors meeting, the Sub-Region Taskforce Committee presented to the Board of Directors a framework and process to form and implement a sub-region and recommended that Board members present the sub-region approach to their respective governing bodies for discussion prior to a vote by the Cities Association at their October 11, 2018 meeting.

The Sub-Region Taskforce Committee presented an update on the RHNA sub-region process at the August 1, 2018 Santa Clara County Association of Planning Officials (SCCAPO) meeting. This update included an overview of the sub-region process and a request to share the following documents with the respective governing bodies (included as Attachments 1-4):

- RHNA Sub-Region Overview
- RHNA Sub-Region Formation Pros & Cons Table
- Guiding Principles of the Santa Clara County RHNA Sub-Region Task Force
- By-Laws of the Santa Clara County Sub-Region RHNA Process

Additionally, on June 21, 2018, the Santa Clara County Civil Grand Jury published a report entitled, "Affordable Housing Crisis: Density is Our Destiny." The Grand Jury Report focused on the issue of affordable, or below market rate (BMR) housing in Santa Clara County's 15 cities and unincorporated areas. The Report stated that density is at the heart of many BMR housing solutions and that every city needed to do its share by increasing densities and enacting policies to spark more BMR housing.

The Report also stated that cities should create a Regional Housing Needs Allocation (RHNA) sub-region that pools the resources of more than one city to meet housing needs.

When a grand jury submits a final report on the operations of a public agency, state law requires that the governing body of the public agency provide feedback on the report to the superior court within 90 days. At the August 28, 2018 Santa Clara City Council hearing, the Council authorized the Mayor to submit the City's response to the Grand Jury Report, which discussed potential advantages and disadvantages for a sub-region and which indicated that the City is prepared to participate in a RHNA sub-region planning effort should it proceed.

DISCUSSION

The aforementioned Grand Jury Report included several recommendations related to fulfillment of RHNA obligations and the formation of a RHNA sub-region. One recommendation was to form a task force to communicate the value and importance of each city meeting its RHNA objectives for BMR housing. As described in the Grand Jury Report, the task force would be funded by the County and all 15 cities, and created prior to June 30, 2019. A second recommendation was for the formation of a RHNA sub-region by the end of 2021 including one or more low-cost cities and one or more high-cost cities so that production of affordable units could be facilitated by transferring the obligation from a higher-cost to a lower-cost location. Santa Clara is identified in the Report as a high-cost city.

The City of Santa Clara has a strong tradition of providing affordable housing and services for lower income residents within Santa Clara. In August 2018, the City's Affordable Housing Ordinance went into effect. While the City may be higher cost than some other areas within the County, Santa Clara's proximity to employment and commitment to supporting continued housing growth warrant a continued strong commitment to the production of affordable housing within Santa Clara. When the City of Santa Clara stated in its response to the Grand Jury Report that it is prepared to participate in a task force and in the formation of a RHNA sub-region should such an effort move forward on a County-wide basis, it was with recognition that the City is also committed to the continued production of affordable housing within Santa Clara and that it may not be beneficial for Santa Clara to either transfer out or receive additional RHNA allocations.

The documents provided by the Cities Association acknowledge the potential pros and cons associated with formation of a RHNA sub-region and suggest that the Santa Clara sub-region will need to develop policy to address a variety of unique and potentially challenging issues. Active participation in the process will allow Santa Clara to maintain a leadership role in affordable housing policy and to advocate for a sub-region structure that is consistent with the City's objectives should a sub-region be formed. Indicating a willingness to participate in a RHNA sub-region process, as requested by the Cities Association, would also be consistent with the City of Santa Clara's response to the Grand Jury Report in which the City indicated a willingness to participate in a process to consider the formation of a housing sub-region to facilitate and implement countywide housing production consistent with the Regional Housing Needs Allocation (RHNA). Participating in this process does not commit the City to any prescribed direction, but allows the City to provide input in the process. Active participation in the process will allow Santa Clara to maintain a leadership role in affordable housing policy and to advocate for a sub-region structure that is consistent with the City's goals. Staff thus is recommending that the City Council adopt the attached Resolution to satisfy the request for a response from the Cities Association.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There is no fiscal impact to sending the response other than administrative staff time and expense, which is included in the FY 2018/19 Adopted Budget.

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.

RECOMMENDATION

Adopt a resolution of intent to support the formation of a housing sub-region of Santa Clara County local and county governments to facilitate and implement countywide housing production consistent with the Regional Housing Needs Allocation (RHNA).

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. RHNA Sub-Region Overview
2. RHNA Sub-Region Formation Pros & Cons Table
3. Guiding Principles of the Santa Clara County RHNA Sub-Region Task Force
4. By-Laws of the Santa Clara County Sub-Region RHNA Process
5. Resolution