



100048

**DATE:** February 11, 2020

**TO:** Board of Supervisors

**FROM:** Jacqueline R. Onciano, Director, Dept. of Planning and Development

**SUBJECT:** Cities Association Housing Collaborative

**RECOMMENDED ACTION**

Consider recommendations relating to participation in the Cities Association Housing Collaborative.

Possible action:

- a. Receive report relating to participation in the Cities Association Housing Collaborative.
- b. Adopt Resolution declaring intent to join the Cities Association of Santa Clara County Housing Collaborative and delegating authority to the County Executive, or designee, to enter into a Memorandum of Understanding with the Cities Association, in an amount not to exceed \$5,000, to participate in the Housing Collaborative, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on December 31, 2020.

**FISCAL IMPLICATIONS**

There is no new impact to the General Fund resulting from the approval of the recommended action. Participation in the Housing Collaborative requires funding of \$5,000, which will be funded from the Department's existing Fiscal Year 2019-20 (FY 2020) budget allocation.

**REASONS FOR RECOMMENDATION**

At the December 18, 2018 Board of Supervisors meeting, the Board adopted a resolution declaring an intent to participate in Regional Housing Needs Assessment (RHNA) Subregion, organized by the Cities Association of Santa Clara County ("Cities Association"). The RHNA Subregion was to consist of a collaboration including the 15 cities and the County concerning distribution of the upcoming RHNA among the various jurisdictions.

In September 2019, the Association of Bay Area of Governments (ABAG) and the California Department of Housing and Community Development (HCD) published updated schedules regarding the creation and allocation of RHNA for Santa Clara County. Under this updated schedule, the default RHNA allocation identified by ABAG for the jurisdictions within Santa

Clara County would occur too late in the RHNA cycle to allow adequate time for the RHNA Subregion to effectively collaborate in redistributing the RHNA allocation among the jurisdictions. On October 10, 2019, the Cities Association Board of Directors considered alternative options for the RHNA Subregion effort. These included: (a) Continue RHNA Subregion effort without using the ABAG default allocation; (b) Abandonment of the RHNA Subregion effort; or (c) Modification of the RHNA Subregion effort to instead become a Housing Collaborative. Under option (a), the RHNA Subregion would need to conduct considerable technical work formulating the initial RHNA allocations, entailing significant time and cost. Under option (c), the Housing Collaborative, the jurisdictions would have an ongoing collaboration regarding shared strategies to facilitate housing production, including the preparation of Housing Elements and uniform approaches to implement State housing requirements, including Accessory Dwelling Unit (ADU) regulations. Under option (c), the RHNA allocation would be governed by ABAG.

The Housing Collaborative model is patterned after 21 Elements, a partnership within San Mateo County among 21 jurisdictions (including the cities and County) that collaborates on shared housing strategies affecting all of the jurisdictions. Initiation of the Housing Collaborative by the Cities Association will require hiring a housing consultant to support the participating jurisdictions who will develop shared housing strategies. The Cities Association estimates the costs associated with this work for 2020 will be \$50,000, based on discussions with the consulting firm that supports the 21 Elements program in San Mateo County. At the October 10, 2019, Board of Directors meeting, the Cities Association requested that the participating jurisdictions contribute \$5,000 to fund the Housing Collaborative for the initial year.

To date, 14 out of the 15 cities and towns in the County have authorized participation in the Housing Collaborative, not including the Town of Los Altos Hills. The County is not a member of the Cities Association and participation will require the execution of an Memorandum of Understanding between the County and the Cities Association to formalize the County's participation, duration, and role. The requested action before the Board of Supervisors entails adoption of a Resolution declaring an intent to participate in the Housing Collaborative and delegation of authority to the County Executive, or designee, to enter into an Memorandum of Understanding with the Cities Association and provide funding not to exceed \$5,000. The Department will use its existing services and supplies budget allocated within its existing FY 2020 Budget allocation to fund the collaborative.

Based on the timeline developed by the Cities Association, the housing consultant would be hired by the Cities Association in the spring of 2020. Initial work products would focus on materials and information that will assist the jurisdictions in preparation of the upcoming required Housing Elements and on shared housing strategies, such as the tools to assist in facilitating development of ADUs.

### **CHILD IMPACT**

Participation in the Housing Collaborative that is intended to help facilitate construction of more housing within the County will have a beneficial impact on children by increasing access to housing and increasing housing affordability.

## **SENIOR IMPACT**

Participation in the Housing Collaborative that is intended to help facilitate construction of more housing within the County will have a beneficial impact on seniors by increasing access to housing and increasing housing affordability.

## **SUSTAINABILITY IMPLICATIONS**

Participation in the Housing Collaborative that is intended to help facilitate construction of more housing within the County will have positive sustainability impacts by increasing housing affordability and creating a better jobs/housing balance in the region, reducing commuting times, vehicle miles travelled (VMT), and greenhouse gas emissions.

## **BACKGROUND**

### **Housing Elements and RHNA Allocation**

State law requires that each City and County adopt a Housing Element within its General Plan that specifies how it will pursue programs and actions that facilitate the development of housing and affordable housing to meet needs within its community. The Housing Element must be updated on an eight-year cycle. On June 10, 2014, the Board adopted the Housing Element Update 2015-2022, which was certified by HCD on July 25, 2014 for compliance with State Housing Law. The deadline for adopting the next Housing Element is approximately January 2023. The housing needs identified within each City and County's Housing Element is derived from a Regional Housing Needs Allocation (RHNA), which defines housing demand based on levels of affordability. HCD assigns RHNA to each Metropolitan Council of Governments (COG), which in turn assigns RHNA to each jurisdiction within the COG.

The County's Housing Element Update 2015-2022 has a projected housing demand of 277 housing units within the unincorporated areas of the County. The County's housing demand is low compared with other comparatively sized jurisdictions, based on General Plan land use policies that prescribe low intensity development within the rural unincorporated areas, in order to prevent urban sprawl and protect natural and rural resources. Most of the County's affordable housing supply is associated with (a) housing development at Stanford University, (b) farmworker housing, and (c) development of ADUs.

### **RHNA Subregion**

Creation of a RHNA Subregion provides an alternative approach to the standard RHNA allocation process. With the creation of a RHNA Subregion, a County and participating cities may collectively determine the distribution of RHNA among the participating jurisdictions, rather than working individually with ABAG.

Any two or more cities and a county, or counties, may form a RHNA subregion. The RHNA subregion may include (1) a single county and (2) each of the cities in that county or any combination of geographically contiguous local governments.

In 2015, the Cities Association formed a Regional Housing Task Force (Subcommittee) to explore development of the framework and process for forming a RHNA Subregion and review options for regional involvement.

On October 11, 2018, the Cities Association Board of Directors voted unanimously to create a RHNA Subregion and requested the formation materials and resolution of intent be forwarded to all cities and the County with a request for participation. At the December 18, 2018 Board of Supervisors meeting, the Board adopted a resolution declaring an intent to participate in the Cities Association Regional Housing Needs Assessment (RHNA) Subregion. The RHNA Subregion has not been created.

Under the original schedule, the Cities Association Subregion planned to first receive the RHNA for each jurisdiction from the Association of Bay Area Governments (ABAG) as the initial step in discussion and collaboration in deciding how the RHNA would be dispersed between the jurisdictions. Under this approach, the RHNA Subregion participants would not have to conduct the technical analysis (including analysis of population and employment trends) necessary to identify the initial RHNA and could instead focus on shared strategies and collaboration on how the RHNA would be subsequently re-distributed among jurisdictions.

In September, 2019, the ABAG and the Department of Housing and Community Development published a new schedule regarding the RHNA process. Under this new schedule, the RHNA methodology to be used by the RHNA Subregion would need to be completed prior to the finalization of the RHNA methodology by ABAG. Thus under this new timeline, the RHNA Subregion could not use the default RHNA from ABAG as a starting point for collaboration and discussion between the RHNA Subregion participants.

### 21 Elements San Mateo

For several years, the 20 cities within San Mateo County and the County of San Mateo (21 jurisdictions in total) have collaborated under the program “21 Elements” that focuses on collaboration in preparing State-mandated Housing Elements and identifying shared housing strategies that can be implemented in each jurisdiction. The 21 Elements Program (<http://www.21elements.com/>) is organized by the City/County Association of Governments of San Mateo County (C/CAG), established as a joint powers authority by the cities and County. Under the 21 Elements Program, C/CAG hires a housing consultant to assist jurisdictions in preparing the State-mandated Housing Elements for each jurisdiction and to develop housing strategies (such as programs to increase the production of Accessory Dwelling Units) that can be implemented across and within each jurisdiction. The 21 Elements Program has developed the following programs and housing strategies:

- Shared data, templates, and outreach methodologies to assist in the preparation of Housing Elements mandated by State Law;
- Shared data, calculators and other information related to preparation and adoption of Inclusionary Housing Ordinances;
- Briefing papers and technical support regarding compliance with State housing legislation; and
- Handouts and resources to assist jurisdictions and homeowners regarding development of ADUs.

Please refer to the Reasons for Recommendations section for a more detailed account of the evolution toward the Housing Collaborative approach.

### **CONSEQUENCES OF NEGATIVE ACTION**

The County will not participate in the Cities Association Housing Collaborative.

### **STEPS FOLLOWING APPROVAL**

The Clerk of the Board will notify Rob Eastwood in the Department of Planning and Development.

### **LINKS:**

- References: 94164 : Consider recommendations from the Department of Planning and Development relating to participation in a Regional Housing Needs Allocation Subregion.

### **ATTACHMENTS:**

- Regional Housing Collaborative Resolution (PDF)
- Cities Association Board of Directors Sept 12 2019 Meeting Agenda Excerpt (PDF)
- Cities Association Board of Directors Oct 10 2019 Meeting Agenda Excerpt (PDF)