



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	3/10/2020
<b>AGENDA SECTION:</b>	Scheduled Presentations
<b>SUBJECT:</b>	Presentation Regarding Regional Housing Needs Assessment Schedule/Housing Element Update – Planned Process and Schedule for the Housing Element Update
<b>FROM:</b>	Community Development Department

## **RECOMMENDATION / CITY COUNCIL ACTION**

No Action is requested of the City Council at this time.

## **BACKGROUND / ISSUE**

The City's selected consultant, Ascent Environmental, will provide an overview of Folsom's 2021 Housing Element Update process and timeline. The presentation will introduce challenges and opportunities pertaining to the required accommodation of Folsom's share of the lower-income Regional Housing Needs Assessment (RHNA).

The City's Housing Element is one of seven mandatory elements of the City of Folsom General Plan and is a critical component of the City's blueprint to providing affordable housing opportunities in the City. The purposes of the housing element include: identifying the city's housing needs; stating the City's goals and objectives with regard to housing production, rehabilitation, and conservation to meet those needs; and defining policies and programs that the City will implement to achieve the stated goals and objectives. Unlike the other mandatory general plan elements, the housing element is required to be updated every eight years. It is also subject to detailed statutory requirements and mandatory review and certification by the State Department of Housing and Community Development (HCD).

The City's current Housing Element was adopted in August 2013 and covers the January 1, 2013 through October 31, 2021 planning period. The upcoming sixth cycle Housing Element will cover the 2021 through 2029 planning period and is due for adoption by May 2021. The sixth cycle presents several new challenges for the City in terms of meeting an increased RHNA and navigating new state laws pertaining to housing.

**Regional Housing Needs Assessment (RHNA)**

The RHNA is part of a statewide statutory mandate for every city and county in California to address a portion of the projected statewide housing needs. Every region in the state is given a Regional Housing Needs Determination (RHND) from HCD, which is the estimated future housing need for that region. State law mandates that the Sacramento Area Council of Governments (SACOG) develop and approve a Regional Housing Needs Plan (RHNP) that contains a RHNA methodology for distributing the housing need to each jurisdiction within the SACOG six-county region. The SACOG Board adopted the sixth cycle 2021-2029 RHNA Methodology in November and is scheduled to adopt of the Final Regional Housing Needs Plan (RHNP) at its March 19, 2020 SACOG Board Meeting.

The RHNA allocates to both cities and counties each jurisdiction’s “fair share” of the region’s projected housing needs broken down into four income categories: very low-, low-, moderate-, and above moderate-income (see below for a breakdown of how these categories are defined in terms of median income).

<b>Income Category</b>	<b>Household Income Bucket (Based on Area Median Income)</b>	<b>Annual Household Income (Based on Four Person Household)</b>
Above Moderate Income	(120+%)	Above \$100,300
Moderate Income	(80-120%)	\$66,901 - \$100,300
Low Income	(50-80%)	\$41,800 - \$66,900
Very Low Income	(<50%)	Less than \$41,800

These allocations are intended to be used by jurisdictions when updating their housing elements as the basis for ensuring that adequate sites and zoning are available to accommodate the expected growth in housing during the eight-year planning period.

As shown in the table below, SACOG allocated the City of Folsom a total of 6,363 housing units for the eight-year RHNA cycle. The allocation is equivalent to approximately 795 housing units annually for the eight-year planning period. Of the 6,363 housing units, 3,567 units are to be affordable to very low-income and low-income households (collectively referred to as the “lower-income” RHNA). This represents a 72 percent increase in the lower-income RHNA of the previous Housing Element (2,072 units).

<b>Folsom’s 2021-2029 Regional Housing Needs Unit Allocation by Income</b>						
<b>RHNA</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>	<b>*Average Yearly Need</b>
Housing Units	2,226	1,341	829	1,967	6,363	795
Percent of Total	35%	21%	13%	31%	100%	

Note: \* Based on 8-year planning period

Source: SACOG Regional Housing Needs Plan Cycle 6 (2021-2029), February 2020

The City of Folsom must now update its Housing Element to show how it can accommodate the RHNA. It is important to note that a core assumption of the Housing Element is that the higher the allowed density in the zoning, the more likely it is to accommodate affordable housing. Based on state law requirements, 30 units per acre is the density that is deemed appropriate for accommodating the lower income RHNA, therefore only sites with zoning that allows 30 units per acre can be counted toward meeting the lower-income RHNA. If a jurisdiction does not have enough capacity on appropriately zoned land to accommodate all income categories of its RHNA, it must identify additional sites and rezone sites within three years of the Housing Element adoption deadline.

Based on staff's initial assessment, the City does not currently have enough land zoned for higher-density housing and will have an obligation to rezone a number of sites for higher density housing to meet the lower-income RHNA. Through the Housing Element Update process, staff and the consultants will be quantifying existing sites/opportunities for higher density housing, as well as identifying potential new sites for consideration of zoning for higher density housing to meet the state requirements.

### **New State Laws Pertaining to Housing**

Recent changes to state law (such as AB 1397 and SB166) may create some additional challenges for our current sites inventory and tracking of affordable and market rate projects during the eight-year cycle. Ascent Environmental Staff will provide an overview of these new laws as we commence our Housing Element work.

Submitted,



Ram Johns, Community Development Director

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