

**City of Milpitas, California**

**BUDGET CHANGE FORM**

Type of Change	From*		To*	
	Account	Amount	Account	Amount
<b>Check one:</b>  <input checked="" type="checkbox"/> <b>Budget Appropriation</b>  <input type="checkbox"/> <b>Budget Transfer</b>	<b>216-2909</b>	<b>\$10,000</b>	<b>216-5364237</b>	<b>\$10,000</b>

Adopt a Resolution authorizing the City to continue participation in the Cities Association of Santa Clara County Housing/Planning Collaborative and to provide \$10,000 to continue consultant services to support the Collaborative; and Approve a related budget amendment.

**Background:**

The process for determining each jurisdiction's projected housing need is called the Regional Housing Needs Allocation (RHNA). The process begins with the State – the California Department of Housing and Community Development (HCD) – which estimates the existing housing need and determines the projected statewide growth in households. Through the RHNA process, HCD allocates housing demand by region to the regional council of governments (COG). In turn, each regional COG allocates the projected regional growth to local jurisdictions within the region. The nine-county Bay Area's COG is the Association of Bay Area Governments (ABAG), which works closely with the Metropolitan Transportation Commission (MTC) to assign housing allocations and distribute RHNA objectives to each local jurisdiction in the Bay Area. Each jurisdiction produces a Housing Element that demonstrates the jurisdiction's ability to accommodate the housing need identified in its RHNA during each eight-year planning cycle. The Bay Area's next RHNA cycle will cover the period from 2023-2031.

On December 3, 2019, the Milpitas City Council adopted Resolution No. 8927 authorizing the City to join the Cities Association in forming a Planning Collaborative and to contribute an amount between \$3,125 and \$5,000 (depending on the number of jurisdictions joining the Collaborative) for consultant services relating to the RHNA Process, RHNA methodology, the implications of recent state housing laws, proposed legislation, and other affordable housing matters. This relatively small \$50,000 Cities Association contract was intended as a pilot to see if the Planning Collaborative would improve staff productivity. The Cities Association contracted with Baird + Driskell Community Planning, the firm that facilitated the San Mateo County's 21 Elements housing collaborative for over ten years.

By September–October 2020, the hours funded by the Santa Clara County Planning Collaborative contract were depleted. The Cities Association surveyed jurisdiction staff and received positive feedback about the Planning Collaborative and the consultant. Based on this feedback, the Cities Association requested an updated scope of work from Baird + Driskell to continue facilitating the group, planning special work sessions, conducting focused research, providing educational materials, serving as a liaison with HCD, creating templates and best practice tools, conducting focused countywide data analysis, conducting an accessory dwelling unit (ADU) survey, and educating Sacramento lawmakers on experience in our region. Additional services are available at extra cost for jurisdictions that need assistance with performing analysis or writing sections of the Housing Element. A detailed scope of services for the Planning Collaborative is included as Attachment B.

On October 8, 2020, the Cities Association Board of Directors voted to extend the Baird + Driskell contract, which supports the Planning Collaborative. The overall contract extension would be for \$160,000 and would run from August 2020 – January 2023 (30 months). The cost for Milpitas would be \$10,000 and was based proportionally on population size using the same formula that determines dues for the Cities Association.

**Analysis:**

The City of Milpitas has been an active member of the Planning Collaborative since it began in April 2020. The Collaborative has been well-attended by housing staff and planners from Santa Clara County jurisdictions. Below is a summary of the technical assistance Baird + Driskell has provided to the group over the last six months:

- Conducted a survey on the topics that would be most useful for the Planning Collaborative and created a website to post meeting materials and resources.
- Shared updates on the ABAG/MTC Local Early Action Planning (LEAP) and Regional Early Action Planning (REAP) grant programs along with a brainstorming session for project ideas.
- Discussed ADU codes and requested data to complete a regional ADU production survey.
- Prepared a briefing on Housing Element timelines, new rules for conducting housing site inventories, and new HCD draft guidance.
- Provided updates on state housing legislation and the Governor's budget.
- Facilitated a discussion on how to integrate an Assessment of Fair Housing into the Housing Element, as required by new state laws.
- Provided regular updates on the ABAG/MTC Housing Methodology Committee (HMC) process, which has made a recommendation on how future housing growth should be distributed throughout the Bay Area.
- Convened a small working group to discuss the feasibility of the initial baseline proposal, which would have allocated an extremely large housing goal to Santa Clara County jurisdictions. The Cities Association Executive Board submitted a letter for the public record as part of the Housing Methodology Committee process. The final HMC recommendation called for a more moderate amount of growth in Santa Clara County.

The technical assistance provided by the Planning Collaborative comes at an important time as ABAG/MTC move to finalize the housing allocation for Bay Area jurisdictions over the coming months and as jurisdictions begin work on their housing element updates. Keeping on track with the Planning Collaborative is especially important for Milpitas due to the need to coordinate Housing Element planning with the Metro and the Midtown Specific Plan update processes between fall 2020 and spring 2021. In addition, Milpitas also needs to begin work on an Assessment of Fair Housing which is now a required part of the Housing Element.

Staff recommends Council adopt the Resolution and appropriate funding to continue membership in the Cities Association Planning Collaborative. If all 16 jurisdictions in Santa Clara County (15 cities/towns and the County itself) continue in the Planning Collaborative, Milpitas will need to contribute \$10,000. A detailed breakdown of jurisdiction contribution is included in **Attachment B**. An appropriation of \$10,000 from the Affordable Housing Community Benefit Fund can fulfill the Milpitas contribution.

**Policy Alternative:**

The City does not continue in the Santa Clara County Planning Collaborative.

Pros: There will be no cost or staff time.

Cons: The City will lose opportunities to save money, staff time, resources, and to develop stronger relationships and collaboration with staff from other cities.

Reason for Not Recommending: It is beneficial and more efficient for cities to work collaboratively to respond to the region's housing needs and to prepare high quality housing plans that comply with state regulations.

**Fiscal Impact:**

If all jurisdictions in Santa Clara County continue in the collaborative, the funding that Milpitas will contribute to the Cities Association will be \$10,000. If the City Council approves the recommendation of appropriating \$10,000 from the Affordable Housing Community Benefit Fund, the fiscal impact would be a \$10,000 reduction to the ending fund balance.

**California Environmental Quality Act**

N/A

**Recommendations:**

1. Adopt a Resolution authorizing the City to continue participation in the Cities Association of Santa Clara County Planning Collaborative and to provide \$10,000 to continue consultant services to support the Planning Collaborative.
2. Approve a budget amendment to appropriate \$10,000 from the Affordable Housing Community Benefit Fund to the FY 2020-21 Building Safety and Housing Operating Budget.

**Attachments:**

- A. Resolution to continue participation in the Santa Clara County Planning Collaborative and to provide funding to continue consultant services to support the Collaborative.
- B. Santa Clara County Planning Collaborative scope of services and budget.
- C. Budget Change Form.

☐ **Check if City Council Approval required.**

**Meeting Date:** November 03, 2020

<b>Requested by:</b>	<b>Department Head:</b> Sharon Goei	<b>Date:</b> November 03, 2020
<b>Reviewed by:</b>	<b>Finance Director:</b> Walter C. Rossmann	<b>Date:</b> November 03, 2020
<b>Date approved by City Council, if required:</b>		<b>Confirmed by:</b>