



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	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
Category:	Consent Calendar-Community Development
Meeting Date:	11/10/2020
Staff Contact:	Sharon Goei, Director of Building Safety and Housing, 408-586-3260
Recommendations:	<ol style="list-style-type: none">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 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.

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.

Most jurisdictions throughout the state have experienced challenges in meeting their RHNA goals, including those in the Bay Area. The upcoming RHNA allocation is anticipated to be 2-3 times larger than previous years and stricter state laws will make the housing element planning process more challenging. As a result, jurisdictions will require significant technical assistance to complete a housing element that will be certified by HCD.

The Cities Association of Santa Clara County is a membership organization that was founded in 1990 and includes representatives from 15 jurisdictions. The purpose of the organization is to increase collaboration and to advocate on issues that impact the South Bay. In 2019, the Cities Association explored the formation of an HCD sanctioned RHNA Subregion to allow for flexibility in how RHNA housing growth would be distributed between jurisdictions in the County. However, the Cities Association determined a Subregion would be too costly and complicated to form. Instead, the Cities Association formed the Santa Clara County Planning Collaborative to build relationships across agencies, leverage resources, share information, and to increase the cohesiveness of housing planning and implementation across the South Bay.

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. A total of fifteen jurisdictions ultimately joined the Collaborative. Each participating jurisdiction, including Milpitas, contributed \$3,333.33. 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 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 and ABAG/MTC, 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 individual jurisdictions that need assistance with performing analysis or writing sections of their 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 October 2020 through January 2023 (28 months). The cost for Milpitas would be \$10,000 and was based on a tiered system using the same formula that determines the jurisdiction dues structure for the Cities Association.

This report evaluates the work of the Planning Collaborative to date and explores how the proposed contract extension would benefit housing planning efforts in Milpitas.

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:

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, to provide a collective response to ABAG/MTC on the RHNA process, 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:

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

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 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.