



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution authorizing the City to join members of the Cities Association of Santa Clara County to form a housing collaborative and to provide funding for consultant services related to the housing collaborative (Staff Contact: Sharon Goei, 408-586-3260)
Category:	Consent Calendar-Community Development
Meeting Date:	12/3/2019
Staff Contact:	Sharon Goei, 408-586-3260
Recommendation:	Adopt a Resolution authorizing the City to join members of the Cities Association of Santa Clara County to form a housing collaborative and to provide funding for consultant services related to the housing collaborative

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. 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 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.

Most jurisdictions throughout the state have challenges meeting their RHNA objectives, including those in the Bay Area. As a result, agencies have sought better, more flexible methods to accomplish RHNA objectives. To improve the implementation of regional affordable housing production, the creation of a Subregion would provide the flexibility to trade allocations and allow redistribution within a Subregion. In early 2019, the Council supported the formation of a RHNA Subregion and supported Milpitas to join the Subregion with other cities in Santa Clara County.

Analysis:

It was the intent to formally create the RHNA Subregion at the Cities Association of Santa Clara County (“Cities Association”) Board meeting in September 2019. However, updates to state law, HCD process, and ABAG process rendered the Subregion process, cost, and timeline originally envisioned by the 16 jurisdictions of Santa Clara County infeasible.

Multiple options were evaluated by the Cities Association Board. One option was to accept ABAG’s number as a starting point, followed by creating a reallocation process as the Subregion’s methodology. Consultant and attorney services would be much costlier than anticipated, and the Subregion would have to submit its final methodology prior to ABAG finishing its final methodology. Another option was for the Subregion to create its own methodology entirely. Consultant and attorney services would be costly and take much longer, making it infeasible to meet the Subregion final methodology submittal timeline.

The option that was moved forward was the formation of a regional housing collaborative via the Cities Association to embrace the goals of jurisdictions working together as a region to address the critical housing

and homeless needs in Santa Clara County. The original anticipated RHNA Subregion funds from member jurisdictions of the Cities Association would instead be used to provide consultant services to support the housing collaborative regarding the RHNA process, RHNA methodology, recently enacted housing laws, proposed or pending housing legislation, and other affordable housing matters. The Cities Association voted to support the formation of a housing collaborative for \$50,000 for one year where this cost would be shared equally among participating members. If all 16 jurisdictions (15 cities/towns and the County itself) joined the housing collaborative, the cost would be \$3,125 per jurisdiction. The Cities Association Board capped the cost per jurisdiction at \$5,000, which means that at least 10 jurisdictions must join to form the housing collaborative. The collaborative would be a one-year trial. The Cities Association Board is hopeful that participation and collaboration will assist all cities through the rapidly changing legislative landscape of housing and land use.

The City of Milpitas is an active member of the Cities Association where city representatives gather to discuss and seek solutions to regional problems and advocate on issues of mutual interest. While each jurisdiction is responsible to plan for its share of housing, if cities join other members of the Cities Association to form the housing collaborative and provide funding for consultant services to support the collaborative, all members will benefit by having a unified voice regarding the upcoming RHNA process and proposed legislation that may lead to higher affordable housing production and greater positive impact on the region.

Instead of creating a RHNA Subregion, the housing collaborative will focus on regional affordable housing solutions through collaboration among the participating jurisdictions. The \$50,000 funding will be used for shared technical support to assist jurisdictions in meeting the region's housing needs and RHNA allocation with a focus on lower income housing, new housing laws, and housing element updates. Tasks could include receiving guidance from experts on the RHNA process, identifying sites and development capacity based on new state housing laws, and providing assistance on housing element compliance. As housing production is a regional challenge that transcends city boundaries and barriers, shared housing strategies would benefit all communities in the area. The housing collaborative would foster a more cohesive approach to plan for housing growth and provide opportunities to work together on legislative advocacy.

Staff recommends Council adopt the Resolution to join members of the Cities Association to form the housing collaborative. Depending on the number of jurisdictions joining the housing collaborative, the City will provide Cities Association \$3,125 to \$5,000 of funding toward consultant services related to the housing collaborative.

Policy Alternative:

Alternative: The City does not join to form the housing collaborative.

Pros: There will be no cost or staff time.

Cons: The City will lose opportunities to collaborate or participate in regional discussions.

Reason for Not Recommending: It is beneficial for cities to work collaboratively to respond to the region's housing needs.

Fiscal Impact:

Depending on the number of jurisdictions joining the housing collaborative, the funding the City will provide to the Cities Association will range from \$3,125 to \$5,000. There is sufficient funding in the Department's FY 2019-20 operating budget and there is no additional fiscal impact.

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).

Recommendation:

Adopt a Resolution authorizing the City to join members of the Cities Association of Santa Clara County to form a housing collaborative and to provide funding for consultant services related to the housing collaborative.

Attachment:

Resolution