



**COMMUNITY DEVELOPMENT DEPARTMENT  
PLANNING DIVISION**

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**CITY COUNCIL STAFF REPORT**

Meeting: July 21, 2020

**Subject**

Consider a draft letter requesting that the CA Department of Housing and Community Development (HCD) postpone the final Regional Housing Needs Determination (RHND) for the Bay Area; provide any input and/or authorize the letter to be sent on behalf of the City.

**Recommended Action**

That the City Council:

1. Review the letter drafted jointly by the Mayor and the Vice-Mayor requesting HCD to postpone determination of the final RHND (Attachment A) and provide input
2. Consider whether to authorize the Mayor to send the letter.

**Discussion**

On June 10, 2020, the HCD transmitted its proposed RHND for the Bay Area's Cycle 6 RHNA process to the ABAG Executive Director (see Attachment B.) This determination is the state's estimation of the total housing need for the nine-county San Francisco Bay Area between 2022 and 2030. ABAG is required to distribute this determined need (441,176 units) to local jurisdictions through the regional housing needs allocation (RHNA) process in 2021.

The needs determination followed a consultation process between ABAG/MTC staff and HCD staff on technical inputs. While the Bay Area's Cycle 6 RHND is 135% higher than Cycle 5 primarily due to vacancy rate, overcrowding, and overpayment adjustments, most of which are new to Cycle 6, the distribution of units by income level is similar.

The determination was presented to the ABAG Executive Board at its June 18, 2020 meeting. The Executive Board did not appeal HCD's determination. Government Code Section 65584.01(c) allows ABAG to appeal the determination within 30 days of receipt (by July 10, 2020). Appeals may be filed if there is a disagreement with HCD's population projection, or if ABAG believes that HCD has misapplied the RHND methodology.

ABAG staff indicated that HCD has accepted most of the information provided by them in the calculation of the RHND.

The City Council reviewed the RHND at a special meeting on July 8, 2020 at the Mayor's request. Three draft letters were presented for the Council's consideration. Upon discussion, the council agreed that a letter to the ABAG Executive Board would be ineffective since they had already decided not to appeal the determination. Instead, the council decided that a more effective tool would be to send a letter to HCD requesting them to postpone determination of the Bay Area RHND due to the COVID-19 pandemic and other associated reasons. It was decided that the Mayor and Vice Mayor would jointly draft a letter.

The draft letter (Attachment A) is being presented to the Council for its review prior to transmittal to HCD.

It has also come to staff's attention that three City of Palo Alto councilmembers have submitting a joint letter (dated July 7, 2020) on behalf of themselves, as individual elected leaders, to ABAG and HCD, requesting that the deadline to appeal the RHND be extended (see Attachment C). However, it should be noted that the full Palo Alto City Council did not weigh in on the matter since the City Council is in recess until August 3.

**Sustainability Impact**

No sustainability impact.

**Fiscal Impact**

No fiscal impact.

**Next Steps**

The Council could authorize the Mayor to send a letter to HCD on its behalf reflecting the comments received at the Council meeting.

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Prepared by: Piu Ghosh, Planning Manager

Reviewed by: Benjamin Fu, Director of Community Development

Approved by: Dianne Thompson, Assistant City Manager

**Attachments:**

A - Draft letter proposed by Mayor Scharf and Vice Mayor Paul

B - HCD ABAG region RHND letter

C - Letter to ABAG and HCD from three City of Palo Alto Councilmembers