

CC, PC, HC

4-27-2021

#1

Housing Element Study
Session

Presentation



1

Agenda

- Welcome and Introductions
- Housing Element Structure and Required Sections
- RHNA Methodology and Allocation Process
- New Requirements and Resources
- Timeline, Process and Next Steps

2

Introductions: Baird and Driskell Community Planning

Joshua Abrams



Paul Peninger



- Small, Bay Area firm specializing in assisting local cities.
- Staff to the Santa Clara County Planning Collaborative.

3

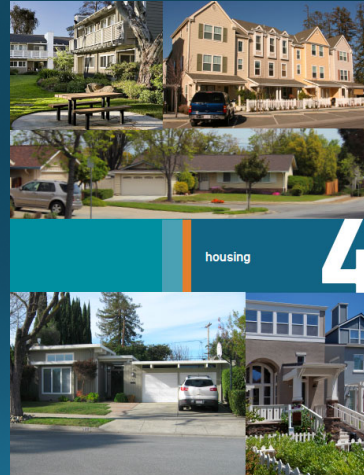
Santa Clara County Planning Collaborative

- I. Support Excellent Housing Policy**
- II. Save Jurisdictions Time and Resources**
- III. Respect Local Autonomy**

4

What is a Housing Element?

- 1) Required element of the General Plan
- 2) Updated every 8 years
- 3) Plan for accommodating housing needs for all segments of the community
- 4) Once in a decade opportunity to think about and create local housing strategies



5

Structure of the Housing Element

- 1) Public Participation
- 2) Reviewing Previous Element
- 3) Housing Needs
- 4) Government and Non-Governmental Constraints
- 5) Sites Inventory and Analysis
- 6) Goals, Programs and Policies



6

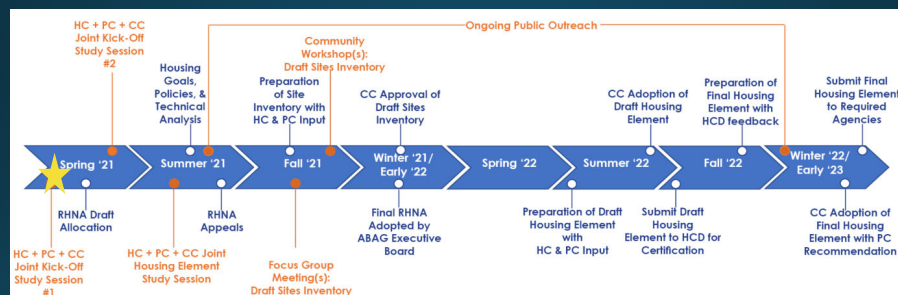
Typical Process

- 1) Outreach and Engagement (occurs throughout)
- 2) Research & Data Gathering
- 3) Draft Plan
- 4) Planning Commission and Council Review
- 5) State HCD Review of Plan
- 6) Revise Plan (As Needed)
- 7) Local adoption
- 8) State Certification



7

DRAFT Housing Element Timeline for Cupertino



9

What's New? New State Laws

AB 1397 –More Scrutiny for Non-vacant Sites

- Difficult to use small (less than 0.5 acre) and large (10 acres or more) sites
- Reused sites designated for lower income housing must permit 'by right' approval."

AB 686 – Affirmatively Furthering Fair Housing

- Study housing demographics more thoroughly
- Ensure that public engagement reaches all segments of the community
- Plan so that sites designated for lower income housing or upzoned are not disproportionately put in low-income communities of color
- Develop policies and programs that advance equity

11

What's New? Resources

Regional Housing Technical Assistance Program (REAP)

Two key regional tools already in development:

Housing Needs Data Packets: MTC/ABAG staff is developing data packets that will assist local planning staff with completion of Housing Element "Housing Needs" section.

Housing Element Site Selection Tool: To support local planning staff with completion of Housing Element "Site Inventory and Analysis" section, MTC/ABAG staff is developing web-based tool to guide jurisdictions in identifying potential sites that align with state requirements as well as regional and local priorities.

12

I. Public Participation

1. Start before Housing Element update formally begins and continue throughout all parts of update process
2. Involve all segments of community
3. Summarize and describe how public input was considered and incorporated into Housing Element



15

I. Public Participation: What's New

Consistent with Affirmatively Furthering Fair Housing, update should incorporate meaningful engagement that represents all segments of community into development of housing element, including goals and actions.

Example HCD Comment:

"Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning...the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate."

16

II. Review and Revise

1. Describe Progress in Implementation
2. Analyze the Effectiveness of the Element
3. What was learned? What will be changed or Adjusted?

17

III. Housing Needs

1. Quantification and Assessment of Needs
2. Include an Analysis of Special Housing Needs, for example:
 - Elderly
 - Persons with disabilities
 - Female headed households
 - Homeless persons and families

18

III. Housing Needs: What's New

Needs Assessment must address fair housing issues more comprehensively. In addition to fair housing enforcement data, Element must include, at minimum:

- Integration and segregation patterns and trends
- Racially or ethnically concentrated areas of poverty
- Disparities in access to opportunity
- Disproportionate housing needs within the jurisdiction, including displacement risk

Example HCD Comment:

“For all analysis categories (e.g., segregation and integration, racially and ethnically concentrated areas of poverty, disparities in access to opportunities and disproportionate housing needs), discuss patterns and trends relative to the region. For example, (X City) largely does not appear to reflect socio-economic patterns of (X Region) region.”

19

IV. Analysis of Actual and Potential Governmental and Non-Governmental Constraints

1. Non-Governmental Constraints include:
 - Availability of financing
 - Price of land
 - Cost of Construction
2. Governmental Constraints Include:
 - Land use controls
 - Local processing and permit procedures
 - Building codes and enforcement
 - On and off-site improvement requirements
 - Fees and exactions
 - Locally-adopted ordinances that affect costs and supply of housing (e.g., Inclusionary ordinance)

20

IV. Constraints: What's New?

In recent comment letters, increased HCD focus on detailed analysis of constraints. For example:

“Land-Use Controls: The element identifies various land use controls, including zoning, overlays, development standards. However, the element must also include an analysis of the impacts of these land use controls on the cost, supply, timing and approval certainty of development. This analysis must specifically evaluate land use controls individually and cumulatively for impacts, including the ability to achieve maximum densities without exceptions (e.g., variance, conditional use, density bonus law). For example, the analysis should address heights, setbacks, lot coverage and parking garage requirements. Finally, the element must include programs to address and remove or mitigate identified constraints.”

21

V. Sites Inventory and Analysis

1. Document progress
 - List number of pending, approved or permitted units by income group based on actual or anticipated sales prices and rents since beginning of projection period.
2. Analyze capacity of sites to accommodate RHNA, including analysis of environmental and infrastructure constraints.
3. Identify sites with appropriate densities to Accommodate RHNA for Lower-income Households.
 - For Cupertino, 20 Dwelling Units/Acre.
4. Identify alternative ways to meet RHNA (e.g. ADUs).

22

V. Sites Inventory and Analysis, What's New?

1. Address Affirmatively Furthering Fair Housing in sites analysis
2. Nonvacant Sites Analysis: greater rigor and scrutiny applied to non-vacant sites proposed to meeting RHNA
3. If nonvacant sites accommodate 50 percent or more of lower-income RHNA, demonstrate existing use is not an impediment to additional development

23

Draft Regional Housing Needs Allocation (RHNA)

Table 1: Illustrative Regional Housing Needs Allocation from Draft Methodology

Income Group	Cupertino Units	Santa Clara County Units	Bay Area Units	Cupertino Percent	Santa Clara County Percent	Bay Area Percent
Very Low Income (<50% of AMI)	1193	32316	114442	26.0%	24.9%	25.9%
Low Income (50%-80% of AMI)	687	18607	65892	15.0%	14.4%	14.9%
Moderate Income (80%-120% of AMI)	755	21926	72712	16.5%	16.9%	16.5%
Above Moderate Income (>120% of AMI)	1953	56728	188130	42.6%	43.8%	42.6%
Total	4588	129577	441176	100.0%	100.0%	100.0%

Source: Association of Bay Area Governments Methodology and tentative numbers were approved by ABAG's Executive board on January 21, 2021 (Resolution No. 02-2021). The numbers were submitted for review to California Housing and Community Development in February 2021, after which an appeals process will take place during the Summer and Fall of 2021. THESE NUMBERS SHOULD BE CONSIDERED PRELIMINARY AND SUBJECT TO CHANGE PER HCD REVIEW

24

Draft Regional Housing Needs Allocation (RHNA)

RHNA 6 Illustrative Allocations for Cupertino and Santa Clara County, February, 2021

Jurisdiction	Proposed Methodology, October 2020	RHNA 6 Draft Methodology Dec. 2020	RHNA 6 Final Methodology, Jan. 2021	Proposed & Final % Change
Monte Sereno	192	191	192	0%
Los Altos Hills	545	489	489	-10%
Morgan Hill	1,136	1,047	1,037	-9%
Saratoga	2,100	1,712	1,712	-18%
Gilroy	1,464	1,285	1,773	21%
Los Altos	2,267	1,958	1,958	-14%
Los Gatos	1,939	1,993	1,993	3%
Campbell	3,964	3,005	2,977	-25%
Unincorporated	4,137	3,156	3,126	-24%
Cupertino	6,222	4,588	4,588	-26%
Palo Alto	10,058	6,086	6,086	-39%
Millpitas	6,579	6,713	6,713	2%
Mountain View	11,380	11,238	11,135	-2%
Santa Clara	12,047	11,739	11,632	-3%
Sunnyvale	12,998	11,966	11,966	-8%
San Jose	66,522	62,761	62,202	-6%
COUNTY TOTAL	143,550	129,927	129,579	-10%

Sources:

https://abag.ca.gov/sites/default/files/rhna_methodology_report_2023-2031_finalposting.pdf
https://abag.ca.gov/sites/default/files/abag_draft_rhna_methodology_release_december2020.pdf
https://abag.ca.gov/sites/default/files/draft_rhna_allocation_presentation_to_exec_bd_jan_21.pdf

Notes:

- 1) Proposed DRAFT illustrative RHNA allocations were published by ABAG in October, 2020.
- 2) Revised DRAFT illustrative allocations were released by ABAG December 18, 2020 based on comments received from local jurisdictions and subsequent revisions to Plan Bay Area data and modelling assumptions.
- 3) Final RHNA subregional shares were approved January 21st, 2021 by the ABAG Executive Board.

25

RHNA Statutory Requirements

1. **Increase housing supply and mix of housing types**, tenure and affordability in all cities and counties in an equitable manner
2. **Promote infill development and socioeconomic equity**, protect environmental and agricultural resources, encourage efficient development patterns and achieve greenhouse gas emissions reduction targets
3. **Promote improved intraregional jobs-housing relationship**, including balance between low-wage jobs and affordable housing
4. **Balance disproportionate household income distributions** (more high-income RHNA to lower-income areas and vice-versa)
5. **Affirmatively further fair housing**

26

RHNA: Update on Process

- **April 2021:** As required by law, in letter dated April 12, 2021, HCD confirmed that ABAG's Draft RHNA Methodology furthers RHNA objectives

Major milestones in coming months include:

- **Late Spring 2021:** ABAG will adopt Final RHNA Methodology and release Draft Allocations.
- **Summer and Fall 2021:** release of Draft Allocations kicks off period in which local jurisdictions or HCD can submit appeal to ABAG requesting change to any Bay Area jurisdiction's allocation.
- **Late 2021:** ABAG Executive Board will adopt Final Allocations, taking into consideration results of appeals process. This final adoption will also include public hearing.

Links:

https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf
https://abag.ca.gov/sites/default/files/documents/2021-04/ABAG_RHNA_Methodology_HCDFindings_April_12_2021.pdf

27

Appeals Options

1. Methodology did not follow the rules
2. (Maybe) the methodology was not implemented correctly
3. Significant unforeseen event
 - 65584.05(b)(1): The council of governments failed to adequately consider the information regarding the factors listed in subdivision (e) of section 65584.04.
 - 65584.05(b)(2): The council of governments failed to determine the share of the regional housing need in a manner that furthers the intent of the objectives listed in subdivision (d) of section 65584.
 - 65584.05(b)(3): A significant unforeseen change in circumstances occurred in the local jurisdiction that merits a revision of the information submitted pursuant to subdivision (e) of Section 65584.04.

28

Appeals Criteria Excerpt

•“Several (jurisdictions) cite the lack of land suitable for development as a basis for the appeal...(however) even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land...”

30

Next Meeting: Programs and Policies

- Before next meeting on 5/11, consider these best practice examples and come prepared to discuss model programs or policies that might be suitable for Cupertino.
- Are there specific housing strategies that would make sense for Cupertino?

<https://www.hcd.ca.gov/community-development/award-winning.shtml>

31



Questions / Feedback

Joshua Abrams
Abrams@bdplanning.com

Paul Peninger
peninger@bdplanning.com

32