



**COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION**

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CITY COUNCIL STAFF REPORT

Meeting Date: October 1, 2019

Subject

Consider possible options regarding formation of a Santa Clara County Regional Housing Needs Allocation (RHNA) subregion allowing the City the option of trading allocation of housing needs among participating entities.

Recommended Action

That the City Council:

1. Review the attached memo from the Cities Association of Santa Clara County regarding RHNA subregion formation (Attachment A); and
2. Determine which of the 4 options identified in the memo (RHNA Light, RHNA All-In, Planning Collaborative, Do Nothing) the Council wishes to proceed with, about formation of the Santa Clara County RHNA Subregion

Discussion

Background

The issue of possibly participating in a RHNA subregion for Santa Clara County was presented to the City Council on January 15, 2019 and February 5, 2019. Background on RHNA, subregions and the methodology that was anticipated with this RHNA subregion is described further in the February 5, 2019 staff report, which is available online at:

<http://records.cupertino.org/WebLink/ElectronicFile.aspx?docid=730466&dbid=0&repo=CityofCupertino> (please view Agenda Item no. 15).

At the February 2019 meeting, the Council adopted Resolution No. 19-009, on a 5-0 vote, which authorized the City Manager to participate in discussions about the formation of the RHNA subregion and develop a work plan, budget and schedule of actions leading to the formation of a countywide RHNA subregion.

In the Spring and Summer of 2019, the Cities Association began to finalize the Memorandum of Understanding (MoU) and formation of the RHNA subregion

documents with input from local agency staff. However, shortly before the documents could be presented to the Cities Association Board of Directors for support on formation of the RHNA subregion, additional information was received from the Regional Council of Governments (Association of Bay Area Governments/ Metropolitan Transportation Commission (ABAG/MTC)) which caused Cities Association staff to propose other options for formation of the subregion.

Analysis

The City received the attached memo from the Cities Association on September 25, 2019 which identifies impediments to forming a subregion as previously anticipated and alternatives for the Council to consider related to the formation of a RHNA subregion.

The primary concern is that due to a conflict regarding timelines, the originally anticipated framework for a RHNA subregion will not work. It was originally anticipated that once ABAG/MTC adopted allocations for cities, the RHNA subregion would complete its trades and present it to ABAG/MTC for final approval. Since this is now not possible, four alternatives have been identified for local agencies: RHNA Light, RHNA All-In, Planning Collaborative and Do Nothing. These are further described in the attached memo.

Also attached is a staff report presented to the City/County Association of Governments of San Mateo County Board of Directors (C/CAG)) (See Attachment B.) Among RHNA subregion basics and timelines, it identifies other challenges this region is likely to face in the upcoming 6th Housing Element Cycle. Of note, it includes the following information:

- Key considerations in the upcoming 6th Cycle RHNA/Housing Element (Page 2 of 13);
- How State law has changed for RHNA and Housing Elements (page 7 of 13 and page 13 of 13);
- A comparison of 5th and 6th Cycle RHNA (page 11 of 13) which is indicative of the trend in the RHNA for the Bay Area region; and
- Key Milestones for the 6th Cycle RHNA and Plan Bay Area 2050 (Page 12 of 13).

Fiscal Impact

The fiscal impacts of each of the four alternatives is identified in the memo from the Cities Association staff (see Page 4 of Attachment A). This ranges from \$0 for the “Do Nothing” alternative to \$210,000 (does not include legal costs) for the “RHNA All-In” option.

Conclusion

It is recommended that the City Council determine whether it wishes to proceed with participation in the RHNA subregion and if so, which of the options it wishes to participate in.

Next Steps

If authorized to, the City Manager will continue discussions related to the RHNA subregion and return to the City Council with further documentation regarding formation of the subregion.

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Reviewed by: Benjamin Fu, Director of Community Development

Authorized for Submission by: Dianne Thompson, Assistant City Manager

Attachments

- A. Memo from Cities Association of Santa Clara County Re: RHNA Subregion Formation dated September 19, 2019
- B. City/County Association of Governments of San Mateo County Staff Report Re: Determination on Formation of a Sub-Region for the Cycle 6 Regional Housing Needs Allocation (RHNA) Process dated September 12, 2019