

Legislation Text

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DATE OF MEETING: 09/08/20

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO SUPPORTING THE CONTRA COSTA COUNTY JURISDICTIONS' SUPPORT FOR THE 'PLAN BAY AREA 2050' REGIONAL HOUSING NEEDS ALLOCATION METHODOLOGY THAT MATCHES HOUSING ASSIGNMENTS PROXIMATE TO JOB CENTERS

CITY MANAGER RECOMMENDATION

Adopt Resolution

COMPLIANCE STATEMENTS

FY 2019-21 Council Priority Workplan

Regional Housing Needs Allocation (RHNA) Methodology and General Plan Update 2020 are adopted policy items contained in the FY 2019-21 Council Adopted Workplan, effective March 1, 2019.

CEQA Compliance Statement

Not a project as defined by CEQA.

BACKGROUND

In 1969, the State of California (State) mandated that all California cities, towns and counties must plan for the housing needs of all residents-regardless of income. This State mandate is called the Housing Element and Regional Housing Needs Allocation (RHNA). As part of RHNA, the California Department of Housing and Community Development (HCD) determines the total number of new homes each metropolitan region needs to build-and how affordable those homes need to be in order to meet the housing needs of people at all income levels.

Under the current RHNA methodology, San Pablo has been held to aggressive housing production expectations, especially considering the overall affordability of the existing housing stock, our small geographic size, and our largely built-out character. During the current allocation period which started in 2015, San Pablo was given an allocation of 449 new units, including 56 very low-income units, 53 low-income units, 75 moderate-income units, and 265 above moderate-income units. To date, the City has provided 55 units, leaving 394 units to be provided (56 very low-income, 49 low-income, 56 moderate-income, and 233 above moderate-income). Meeting the City's RHNA expectations requires housing productivity well in excess of historic housing production numbers and could potentially result in the displacement of existing affordable housing units due to redevelopment.

Association of Bay Area Governments and RHNA Methodology Process

The Association of Bay Area Governments (ABAG) is the San Francisco Bay Area's metropolitan planning organization (MPO) and is required by State law to conduct the RHNA process every eight years. In practice, this means that ABAG distributes the region's share of assigned housing to each of its cities and counties within its respective regional boundaries of authority.

First and foremost, it is critical to understand that cities are not required to build housing. Rather, they are required to conduct advance planning for it by ensuring that there are enough appropriately zoned parcels within each City's jurisdictional boundaries to accommodate the assigned housing units determined by ABAG/RHNA. Each local

government does so by updating their respective Housing Element contained in their General Plan in conjunction with regulatory requirements from State HCD to identify designated parcels on which housing could potentially be constructed.

New ABAG RHNA Methodology Proposed

In June 2020, State HCD determined that the Bay Area region must plan to accommodate 441,176 housing units over the upcoming 8-year housing element cycle (2022-2030). According to Association of Bay Area Governments (ABAG), this represents a 135% increase from the previous housing assignment.

ABAG Housing Methodology Committee (HMC)

ABAG's Housing Methodology Committee (HMC) - comprised of the region's elected officials, jurisdictional staff, housing advocate organizations and community stakeholders - is charged with evaluating and making a recommendation on how these housing units would be allocated to the Bay Area region's 101 cities, and 9 counties. The most significant decision that is being considered by the HMC is related to what "baseline data" should be used to allocate these housing units. Selection of a 'baseline data' methodology has the greatest impact on Contra Costa communities by ensuring that there is a reasonable and attainable match between housing assignments and job centers.

The following three methods have been discussed at length by HMC members with Option #3 - "Future Year 2050 Households (Draft Blueprint)" Methodology being advanced by the HMC at the present time for potential adoption by the ABAG Governing Board in September 2020, as follows:

1. **"2019 Baseline Data" Methodology:** This methodology proposed would use the *location of existing households* (in year 2019) as the basis for allocating additional future housing units. The City does not support this methodology as it would:

- Allocate more housing units into suburban communities
- Does not place housing units in proximity to jobs
- Does not address transit/transportation congestion and exacerbates long commutes
- Does not result in Greenhouse Gas (GHG) emissions reductions
- Continue the regional narrative of social inequity

Under this method, the City of San Pablo would be expected to produce between 960 and 1,460 new housing units (depending upon the income allocation method chosen) during the upcoming RHNA period, and would equal two to three times more housing units than the current allocation.

2. **"Plan Bay Area 2050" Methodology:** This proposed methodology would use the recently released Plan Bay Area 2050 document's growth projections as the basis for allocating the Bay Area region's assigned housing units. The City of San Pablo, as well as many other regional cities, generally support this methodology as it would:

- Be consistent with Plan Bay Area 2050 which - among other things - strives to reduce transit and transportation congestion as well as greenhouse gas emissions by placing units closer to job centers; and, therefore,
- Allocates more housing units in proximity to major job centers, such as those located in South Bay communities (i.e. Silicon Valley).

For San Pablo, this methodology would result in a more reasonably attainable housing production expectation of between 310 and 540 housing units during the upcoming RHNA period (depending upon the income allocation methodology chosen) as opposed to an allocation of between 960 and 1,460 housing units under the 2019 Baseline methodology. This allocation would be similar to the current RHNA allocation for San Pablo.

3. **“Future Year 2050 Households (Draft Blueprint)” Methodology:** This is considered a compromise hybrid, a “middle road” between the first two methodologies.

The City of San Pablo does not support this methodology. While it would assign fewer housing units to the suburban parts of the Bay Area than the “2019 Baseline Data” method, the housing assignment still far exceeds the infrastructure capacity (i.e. water, sewer, roadways, etc.) of communities at the edges of the metropolitan region.

City of San Pablo Analysis - New RHNA Methodology Review

City Planning staff conducted a recent analysis of the proposed RHNA methodology options under consideration by ABAG’s HMC in terms of their practical implications for San Pablo, and recommended a preferred course of action. A staff memorandum dated July 21, 2020 was prepared for the City Manager’s Office and is attached to this staff report for additional information. Overall, staff’s analysis indicates the proposed “Plan Bay Area 2050 Methodology” as the most preferred methodology for the new RHNA allocations as indicated above (see attachment).

This preferred methodology is more forward-thinking than simply using the “2019 Baseline Data Allocation Methodology” and would be in more regulatory compliance with California State law requiring consistency between RHNA, and local cities’ General Plan documents. If the “2019 Baseline Data Allocation Methodology” is chosen, San Pablo will continue to struggle to meet its RHNA requirements. Furthermore, fulfillment of these high requirements could result in the displacement of lower-income households to the extent that the existing pattern of affordable single-family homes are redeveloped with higher-density, higher-cost structures since San Pablo is geographically constrained by its current boundaries for new housing developments. If the Plan Bay Area 2050 Methodology is supported by the region and ABAG Governing Board, San Pablo will have a much better chance of meeting its RHNA allocation, as more resource-rich areas (i.e. South Bay/Silicon Valley) take on an increased share of the regional housing need allocations.

Contra Costa County Public Managers Association Recommendation

All members of the Contra Costa Public Managers’ Association (PMA) share a regional perspective to support the “Plan Bay Area 2050 Methodology” option under consideration by ABAG’s HMC. To gain sufficient regional support, a letter outlining the PMA’s concerns and impacts on Contra Costa communities was submitted along with the collective recommendations from all respective cities to the Contra Costa Mayors’ Conference (CCMC) for their consideration and review at their August 6, 2020 meeting (see attachment).

Note: Graphs illustrated in Attachment #3 below further illustrate the significant differences between using the “2019 Baseline Data” (shown in brown bars) and the “Plan Bay Area 2050” Methods which is the preferred option being supported throughout the Contra Costa County region by all local cities.

Contra Costa Mayors’ Conference Review (August 2020)

The CCMC facilitated a discussion of all proposed options for the new RHNA methodologies under consideration by ABAG’s HMC at its August 6, 2020 meeting. Consequently, the Mayors’ Conference voted unanimously in support of using the “Plan Bay Area 2050 Methodology”. On August 7, 2020, a letter was forwarded to the ABAG Housing Methodology Committee Chair reflecting this regional perspective as adopted unanimously by all Mayors’ in attendance (see attachment). In summary, the CCMC unanimously supports and endorses use of the “Plan Bay Area 2050 Methodology,” because

it is consistent with the decades-long region-wide effort to:

1. **Encourage housing development in proximity to jobs**, which would in turn;
2. **Reduce transit and transportation congestion**, helping to alleviate long region-wide commutes; and
3. **Reduce greenhouse gas emissions**, consistent with both AB 32 and SB 375.

City Council Proposed Resolution

Following action taken by the CCMC on August 7, 2020, each City within the Contra Costa County region is being requested to formally consider adoption of the attached Resolution which re-affirms the City Council's support for the CCMC's letter to the ABAG HMC Chair dated August 7, 2020. In doing so, these actions by all Contra Costa cities will collectively reflect the region's unanimous support for the preferred Plan Area Bay 2050 Methodology being considered prior to consideration and adoption of a new RHNA methodology at the ABAG's Governing Board scheduled for September 17, 2020.

FISCAL IMPACT

No fiscal impact at this time.

Attachments

1. Contra Costa County Mayors Conference Letter dated 08/07/20 to ABAG HMC Chair
2. CC Public Manager's Association Letter to CCMC re: Update: Regional Housing Needs Allocation (RHNA) Methodologies dated 08/03/20
3. City of San Pablo Planning Memo dated 07/21/20 to City Manager's Office re: 2020 RHNA Methodology Allocation dated 07/21/20