



BOARD OF DIRECTORS MEETING AGENDA
THURSDAY, OCTOBER 10 | 7PM
CITY OF SUNNYVALE | WEST CONFERENCE ROOM
456 WEST OLIVE AVENUE | SUNNYVALE, CA 94024

Discussion & action may be taken on any of the following items.

1. Welcome and Roll Call (Cappello) 7:00 PM
2. Consideration of approval of consent agenda:
 - a. September 2019 Board of Directors Minutes
 - b. Financial report: September 2019
 - c. Annual General Membership Dinner Budget
3. Old Business: Consideration of forming a RHNA Subregion or countywide (voluntary) regional planning collaborative. Invited ABAG | MTC guests: Gillian Adams & Brad Paul 7:05 PM
4. Presentations:
 - a. VTA presentation on the recently initiated independent VTA Governance Study being performed by RSM US, LLP. *(Informational)*
Presenters: Steve Mermelstein & Pat Hagan 7:35 PM
 - b. Silicon Valley Leadership Group: FASTR Bay Area Measure, a potential 9 county regional transportation measure targeted for the November 2020 ballot. *(Informational)*
Presenters: Jason Baker 7:50 pm
5. Nominating Committee Report announcing the slate of candidates for the 2020 Executive Board. 8:05 PM
6. City Manager/SCCCMA Report (*James Lindsay, City Manager, Saratoga*): update from Santa Clara County City Managers Association. 8:10 PM
7. Executive Director Report (Jordan)
8. Joys and Challenges: opportunity for members of the Board to share what is happening in their community. 8:20 PM
9. Adjourn until Thursday, November 14, 2019 at 7PM, Sunnyvale City Hall. 8:30 PM



BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, SEPTEMBER 12 | 7PM
CITY OF SUNNYVALE | WEST CONFERENCE ROOM
456 WEST OLIVE AVENUE | SUNNYVALE, CA 94024

Councilmember René Spring attended via video conference or teleconference from
18025 Stoney Creek Way | Morgan Hill, CA 95037

ITEM 1. President Manny Cappello (Vice Mayor, Saratoga) called the meeting to order at 7:05 PM.

Attending:

city	name
Campbell	Paul Resnikoff
Cupertino	Rod Sinks
Gilroy	absent
Los Altos	Jan Pepper
Los Altos Hills	Michelle Wu
Los Gatos	Marico Sayoc
Milpitas	Carmen Montano
Monte Sereno	Rowena Turner
Morgan Hill	Rene Spring (via zoom)
Mountain View	Lisa Matichak
Palo Alto	Liz Kniss
San José	Chappie Jones
Santa Clara	Debi Davis
Saratoga	Manny Cappello
Sunnyvale	Larry Klein

Also Present:

*James Lindsay, City Manager/Saratoga/SCCMA
Andi Jordan, Executive Director
Raania Mohsen, Office of Vice Mayor Chappie Jones
Vera Toradov, City of San José – Office of City Attorney
Councilmember Liz Gibbons, Campbell
Councilmember Neysa Fligor, Los Altos
Councilmember Jeannie Bruins, Los Altos
Vice Mayor Liang Chao, Cupertino
Councilmember Lydia Kou, Palo Alto
Steve Preminger, Santa Clara County (via zoom)
other members of the public*

Item 2. Consent agenda consisting of:

- a. August 2019 Board of Directors Minutes
- b. Financial report: July/August 2019
- c. SC|SC Roundtable Invoices:
July 2019: \$41,339.42
August 2019: \$23,850.00

*Motion to approve by Councilmember Marico Sayoc, Los Gatos.
Second by Councilmember Paul Resnikoff, Campbell.
Motion approved 14-0-0-1*

AYES: 14: Resnikoff (Campbell), Sinks (Cupertino), Pepper (Los Altos), Wu (Los Altos Hills), Sayoc (Los Gatos)
Montano (Milpitas), Turner (Monte Sereno), Constantine (Morgan Hill), Matichak (Mountain View), Kniss (Palo Alto), Jones (San José), Davis (Santa Clara), Cappello (Saratoga), Klein (Sunnyvale)
NAYES: 0
ABSTENTIONS: 0
ABSENT: 1: Velasco (Gilroy)

Item 3. Update on Cities Association of Santa Clara County's organizational status and next steps was provided by Executive Director Jordan. No action taken.

Item 4. President Manny Cappello gave notice of the 2019 Nominating Committee.

- President Manny Cappello (Saratoga)
- 1st Vice President Larry Klein (Sunnyvale)
- 2nd Vice President Marico Sayoc (Los Gatos)

No action was taken.

Item 5. Discussion of the consideration of the formation of a RHNA Subregion for the cities and county of Santa Clara County. The item was continued unanimously to October Board of Directors meeting.

AYES: 14: Resnikoff (Campbell), Sinks (Cupertino), Pepper (Los Altos), Wu (Los Altos Hills), Sayoc (Los Gatos)
Montano (Milpitas), Turner (Monte Sereno), Constantine (Morgan Hill), Matichak (Mountain View), Kniss (Palo Alto), Jones (San José), Davis (Santa Clara), Cappello (Saratoga), Klein (Sunnyvale)
NAYES: 0
ABSTENTIONS: 0
ABSENT: 1: Velasco (Gilroy)

Item 6. Plan Bay Area 2050 Invited guests: Liz Gibbons, Chris Clark (via zoom), Jeannie Bruins, Neysa Fligor discussed Plan Bay Area and areas of concern. No action was taken.

Public Comment was received by:

Terry Holzemer (Palo Altans for Sensible Zoning)
Suzanne Keehn (Palo Alto)
Paul Martin (Palo Alto)
Councilmember Lydia Kou (Palo Alto)
Govind Tatachari (Cupertino)
Vice Mayor Liang Chao (Cupertino)

Item 7. City Manager/SCCCMA Report (James Lindsay, City Manager, Saratoga): update from Santa Clara County City Managers Association, no action taken.

Item 8. Executive Director Report by Andi Jordan, no action taken.

Item 9. Joys and Challenges (no action taken)

Item 10. Meeting was adjourned at 8:47 PM until Thursday, October 10, 2019 at 7PM.

Respectfully submitted,
Andi Jordan
Executive Director

Minutes approved on DATE

MOTION:

SECOND:

AYES:

NAYES:

ABSTENTION:

ABSENT:

Management Report

CITIES ASSOCIATION OF SANTA CLARA COUNTY

For the period ended September 30, 2019



Prepared by

BestBooks4U Bookkeeping & QuickBooks Consulting

Prepared on

October 3, 2019

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Profit and Loss

July - September, 2019

	Total
INCOME	
Dues Income	39,138.81
Roundtable Income	103,053.00
Services	142,770.26
Total Income	284,962.07
GROSS PROFIT	284,962.07
EXPENSES	
Dues and Subscriptions	225.00
Office	
Directory Production	17.00
Hospitality	350.43
Insurance	432.99
Miscellaneous	
Bank Service Charges	9.00
Total Miscellaneous	9.00
Postage and Delivery	9.17
Printing and Copying	321.91
Software Licenses	367.46
Supplies and Equipment	38.14
Total Office	1,546.10
Other Miscellaneous Service Cost	0.69
Professional Services	
Accounting Services	573.75
Employee Expenses	
Payroll Service Fees	135.00
Payroll Taxes	1,976.25
Payroll Wages/Salary	25,833.33
Total Employee Expenses	27,944.58
Total Professional Services	28,518.33
Workers Compensation	174.40
Total Expenses	30,464.52
NET OPERATING INCOME	254,497.55
OTHER INCOME	
Interest Income	770.09
Total Other Income	770.09
OTHER EXPENSES	
General Meeting - catering	300.00
Membership Dinners - Cost	176.00
Roundtable consultant and technical services	123,211.13
Total Other Expenses	123,687.13
NET OTHER INCOME	-122,917.04

	Total
NET INCOME	\$131,580.51

Balance Sheet

As of September 30, 2019

	Total
ASSETS	
Current Assets	
Bank Accounts	
Checking - Union Bank	180,896.03
Total Bank Accounts	180,896.03
Accounts Receivable	
Accounts Receivable	101,545.13
Total Accounts Receivable	101,545.13
Other Current Assets	
Accrued Interest	44.60
LAIF Funds	121,282.72
Venue Deposit	1,000.00
Total Other Current Assets	122,327.32
Total Current Assets	404,768.48
Fixed Assets	
Accumulated Depreciation	-1,926.59
Machinery and Equipment	2,203.41
Total Fixed Assets	276.82
TOTAL ASSETS	\$405,045.30
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
First National Bank of Omaha	932.20
Total Credit Cards	932.20
Total Current Liabilities	932.20
Total Liabilities	932.20
Equity	
Opening Bal Equity	-34.00
Reserves	0.00
Reserve for New Equip.	2,329.09
Reserve for Operations	35,000.00
Total Reserves	37,329.09
Unrestricted Fund Balance	235,237.50
Net Income	131,580.51
Total Equity	404,113.10
TOTAL LIABILITIES AND EQUITY	\$405,045.30

Statement of Cash Flows

July - September, 2019

	Total
OPERATING ACTIVITIES	
Net Income	131,580.51
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	-101,545.13
LAIF Funds	-770.09
First National Bank of Omaha	498.52
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-101,816.70
Net cash provided by operating activities	29,763.81
NET CASH INCREASE FOR PERIOD	
Cash at beginning of period	151,132.22
CASH AT END OF PERIOD	\$180,896.03

Monthly Summary Expenses by VENDOR

September 2019

	Total
Adobe	14.99
Andi Jordan	8,750.00
AP Intego	49.88
Bestbooks4U	191.25
Caviar	168.36
CPH & Associates	176.00
Environmental Science Associates	65,189.42
FedEx Office	198.29
Great American Insurance Grouop	144.33
Gusto	714.37
Intuit	90.00
Microsoft	12.50
QuickBooks Payments	0.69
Safeway	32.07
Union Bank	3.00
Zoom.us	14.99
TOTAL	\$75,750.14

Transaction Detail by Account

September 2019

Date	Transaction Type	Num	Adj	Name	Class	Memo/Description	Split	Amount	Balance
Checking - Union Bank									
09/03/2019	Expense		No	Great American Insurance Group		GreatAmer - Grea VENDOR P GreatAmer - Grea VENDOR PMT PPD *****9502	Office:Insurance	-144.33	-144.33
09/04/2019	Expense		No	Gusto			Professional Services:Employee Expenses:Payroll Service Fees	-45.00	-189.33
09/09/2019	Expense		No	AP Intego			Workers Compensation	-49.88	-239.21
09/12/2019	Payment		No	Laurel Prevetti			Accounts Receivable	8,697.51	8,458.30
09/17/2019	Check	2802	No	Environmental Science Associates			Roundtable consultant and technical services	-23,850.00	-15,391.70
09/17/2019	Check	2801	No	Environmental Science Associates			Roundtable consultant and technical services	-41,339.42	-56,731.12
09/19/2019	Expense		No	Besibooks4U			Professional Services:Accounting Services	-191.25	-56,922.37
09/23/2019	Transfer		No				First National Bank of Omaha	-455.42	-57,377.79
09/24/2019	Payment	100317960 - unionbank	No	Kent Steffens			Accounts Receivable	21,536.00	-35,841.79
09/24/2019	Payment		No	Santa Clara County			Accounts Receivable	13,831.00	-22,010.79
09/24/2019	Journal Entry	Gusto	No			Debit tax	-Split-	-3,570.62	-25,581.41
09/24/2019	Journal Entry	Gusto	No			Debit net pay	-Split-	-5,848.75	-31,430.16
09/27/2019	Deposit		No	Larry Stone, SCC Assessor		System-recorded deposit for QuickBooks Payments	Undeposited Funds	15.00	-31,415.16
09/27/2019	Expense		No	QuickBooks Payments		System-recorded fee for QuickBooks Payments. Fee-name: DiscountRateFee, fee-type: Daily.	Other Miscellaneous Service Cost	-0.69	-31,415.85
09/30/2019	Expense		No	Union Bank			Office:Miscellaneous:Bank Service Charges	-3.00	-31,418.85
09/30/2019	Deposit		No	James Lindsay			Undeposited Funds	4,601.00	-26,817.85
Total for Checking - Union Bank								\$-26,817.85	

Accounts Receivable

09/03/2019	Invoice	1059	No	Healthier Kids Foundation			Services	90.00	90.00
09/12/2019	Payment		No	Laurel Prevetti			Checking - Union Bank	-8,697.51	-8,607.51
09/17/2019	Invoice	1061	No	Dan Rich			Services	11,387.00	2,779.49
09/17/2019	Invoice	1060	No	City of Cupertino			Roundtable Income	8,963.00	11,742.49
09/17/2019	Invoice	1065	No	James Lindsay			Roundtable Income	4,601.00	16,343.49
09/17/2019	Invoice	1069	No	Chris Jordan			Roundtable Income	4,455.00	20,798.49
09/17/2019	Invoice	1066	No	Kent Steffens			Roundtable Income	21,536.00	42,334.49
09/17/2019	Invoice	1072	No	City of Monte Sereno			Services	514.00	42,848.49
09/17/2019	Invoice	1071	No	Carl Cahill			Roundtable Income	1,216.00	44,066.49
09/17/2019	Invoice	1064	No	Deanna Santana			Roundtable Income	17,906.00	61,972.49

Date	Transaction Type	Num	Adj	Name	Class	Memo/Description	Split	Amount	Balance
09/17/2019	Invoice	1068	No	City of Santa Cruz			Roundtable Income	9,216.00	71,188.49
09/17/2019	Invoice	1067	No	Santa Clara County			Roundtable Income	13,831.00	85,019.49
09/17/2019	Invoice	1070	No	Carlos Palacios			Services	19,946.00	104,965.49
09/17/2019	Invoice	1063	No	City of Palo Alto			Roundtable Income	9,901.00	114,866.49
09/17/2019	Invoice	1073	No	Jamie Goldstein			Roundtable Income	1,525.00	116,391.49
09/17/2019	Invoice	1062	No	City of Palo Alto		Statement for the Roundtable 6 month budget amendment through June 30, 2020	Roundtable Income	9,901.00	126,292.49
09/24/2019	Payment	100317960 - unionbank	No	Kent Steffens			Checking - Union Bank	-21,536.00	104,756.49
09/24/2019	Payment		No	Santa Clara County			Checking - Union Bank	-13,831.00	90,925.49
09/25/2019	Invoice	1074	No	Larry Stone, SCC Assessor			Services	15.00	90,940.49
09/26/2019	Payment		No	Larry Stone, SCC Assessor			Undeposited Funds	-15.00	90,925.49
09/30/2019	Payment	139651	No	James Lindsay			Undeposited Funds	-4,601.00	86,324.49
Total for Accounts Receivable									\$86,324.49

Undeposited Funds									
09/26/2019	Payment		No	Larry Stone, SCC Assessor		Paid via QuickBooks Payments: Payment ID P10257961958	Accounts Receivable	15.00	15.00
09/27/2019	Deposit		No	Larry Stone, SCC Assessor		Paid via QuickBooks Payments: Payment ID P10257961958	Checking - Union Bank	-15.00	0.00
09/30/2019	Deposit		No	James Lindsay			Checking - Union Bank	-4,601.00	-4,601.00
09/30/2019	Payment	139651	No	James Lindsay			Accounts Receivable	4,601.00	0.00
Total for Undeposited Funds									\$0.00

First National Bank of Omaha									
09/06/2019	Expense		No	FedEx Office		executive board of directors meeting friday sept 6 2019	Office:Printing and Copying	30.89	30.89
09/09/2019	Credit Card Credit		No	FedEx Office			Office:Postage and Delivery	-1.83	29.06
09/11/2019	Expense		No	Zoom.us			Office:Software Licenses	14.99	44.05
09/13/2019	Expense		No	Caviar		slice of ny - dinner with dessert and delivery	Office:Hospitality	166.36	212.41
09/16/2019	Expense		No	Safeway			Office:Hospitality	32.07	244.48
09/16/2019	Expense		No	FedEx Office			Office:Printing and Copying	90.80	335.28
09/16/2019	Expense		No	Adobe			Office:Software Licenses	14.99	350.27
09/16/2019	Expense		No	Intuit			Office:Software Licenses	20.00	370.27
09/16/2019	Expense		No	FedEx Office			Office:Printing and Copying	48.83	419.10
09/16/2019	Expense		No	FedEx Office			Office:Printing and Copying	18.92	438.02
09/18/2019	Expense		No	Intuit			Office:Software Licenses	70.00	508.02
09/20/2019	Expense		No	Microsoft			Office:Software Licenses	12.50	520.52
09/23/2019	Transfer		No				Checking - Union Bank	-455.42	65.10


Date	Transaction Type	Numb	Adj	Name	Class	Memo/Description	Split	Amount	Balance
09/25/2019	Expense		No	FedEx Office			Office-Printing and Copying	10.68	75.78
09/30/2019	Expense		No	CPH & Associates			Membership Dinners - Cost	176.00	251.78
Total for First National Bank of Omaha									
Roundtable Income									
09/17/2019	Invoice	1066	No	Kent Steffens	Roundtable	6 month budget amendment	Accounts Receivable	21,536.00	21,536.00
09/17/2019	Invoice	1071	No	Carl Cahill	Roundtable	6 month budget amendment	Accounts Receivable	1,218.00	22,754.00
09/17/2019	Invoice	1064	No	Deanna Santana	Roundtable	6 month budget amendment	Accounts Receivable	17,906.00	40,660.00
09/17/2019	Invoice	1068	No	City of Santa Cruz	Roundtable	6 month budget amendment	Accounts Receivable	9,216.00	49,876.00
09/17/2019	Invoice	1067	No	Santa Clara County	Roundtable	6 month budget amendment	Accounts Receivable	13,831.00	63,707.00
09/17/2019	Invoice	1073	No	Jamie Goldstein	Roundtable	6 month budget amendment	Accounts Receivable	1,525.00	65,232.00
09/17/2019	Invoice	1069	No	Chris Jordan	Roundtable	6 month budget amendment	Accounts Receivable	4,455.00	69,687.00
09/17/2019	Invoice	1065	No	James Lindsay	Roundtable	6 month budget amendment	Accounts Receivable	4,601.00	74,288.00
09/17/2019	Invoice	1060	No	City of Cupertino	Roundtable	6 month budget	Accounts Receivable	8,963.00	83,251.00
09/17/2019	Invoice	1063	No	City of Palo Alto	Roundtable	6 month budget amendment	Accounts Receivable	9,901.00	93,152.00
09/17/2019	Invoice	1062	No	City of Palo Alto	Roundtable	6 month budget amendment	Accounts Receivable	9,901.00	103,053.00
Total for Roundtable Income									\$103,053.00
Services									
09/03/2019	Invoice	1059	No	Healthier Kids Foundation	CASCC	6 subscriptions to digital directory	Accounts Receivable	90.00	90.00
09/17/2019	Invoice	1072	No	City of Monte Sereno	Roundtable	6 month budget amendment	Accounts Receivable	514.00	604.00
09/17/2019	Invoice	1070	No	Carlos Palacios	Roundtable	6 month budget amendment	Accounts Receivable	19,946.00	20,550.00
09/17/2019	Invoice	1061	No	Dan Rich		6 month budget amendment	Accounts Receivable	11,387.00	31,937.00
09/25/2019	Invoice	1074	No	Larry Stone, SCC Assessor	CASCC		Accounts Receivable	15.00	31,952.00
Total for Services									\$31,952.00
Office									
Hospitality									
09/13/2019	Expense		No	Caviar	CASCC	slice of ny - dinner with dessert and delivery	First National Bank of Omaha	168.36	168.36
09/16/2019	Expense		No	Safeway	CASCC	SAFeway #3251 - CUPERTINO, CA	First National Bank of Omaha	32.07	200.43
Total for Hospitality									\$200.43
Insurance									
09/03/2019	Expense		No	Great American Insurance Group	CASCC	GreatAmer - Grea VENDOR P GreatAmer - Grea VENDOR PMT PPD *****9502	Checking - Union Bank	144.33	144.33
Total for Insurance									\$144.33
Miscellaneous									
Bank Service Charges									

Date	Transaction Type	Num	Adj	Name	Class	Memo/Description	Split	Amount	Balance
09/30/2019	Expense		No	Union Bank	CASCC	CHECK IMAGE FEE CHECK IMAGE FEE	Checking - Union Bank	3.00	3.00
Total for Bank Service Charges									\$3.00
Total for Miscellaneous									\$3.00
Postage and Delivery									
09/09/2019	Credit Card Credit		No	FedEx Office	CASCC	FEDEX OFFICES1400051474 - CUPERTINO, CA	First National Bank of Omaha	-1.83	-1.83
Total for Postage and Delivery									\$ -1.83
Printing and Copying									
09/06/2019	Expense		No	FedEx Office	CASCC	Fedex Office	First National Bank of Omaha	30.89	30.89
09/16/2019	Expense		No	FedEx Office	CASCC	FEDEX OFFICES1400051474 - CUPERTINO, CA	First National Bank of Omaha	48.83	79.72
09/16/2019	Expense		No	FedEx Office	CASCC	FEDEX OFFICES1400051474 - CUPERTINO, CA	First National Bank of Omaha	90.80	170.52
09/16/2019	Expense		No	FedEx Office	CASCC	FEDEX OFFICES1400051474 - CUPERTINO, CA	First National Bank of Omaha	18.92	189.44
09/25/2019	Expense		No	FedEx Office	Roundtable	Fedex Office	First National Bank of Omaha	10.68	200.12
Total for Printing and Copying									\$200.12
Software Licenses									
09/11/2019	Expense		No	Zoom.us	CASCC	ZOOM.US - 8887998666, CA	First National Bank of Omaha	14.99	14.99
09/16/2019	Expense		No	Adobe	CASCC	ADOBE *ACROBAT PRO - 8008336687, CA	First National Bank of Omaha	14.99	29.98
09/16/2019	Expense		No	Intuit	CASCC	Intuit *QuickBooks - 800-446-8848, CA	First National Bank of Omaha	20.00	49.98
09/18/2019	Expense		No	Intuit	CASCC	Intuit *QuickBooks - 800-446-8848, CA	First National Bank of Omaha	70.00	119.98
09/20/2019	Expense		No	Microsoft	CASCC	MSFT * E010094TJK - 8006427676, WA	First National Bank of Omaha	12.50	132.48
Total for Software Licenses									\$132.48
Total for Office									\$678.53
Other Miscellaneous Service Cost									
09/27/2019	Expense		No	QuickBooks Payments		System-recorded fee for QuickBooks Payments. Fee-name: DiscountRateFee, fee-type: Daily.	Checking - Union Bank	0.69	0.69
Total for Other Miscellaneous Service Cost									\$0.69
Professional Services									
Accounting Services									
09/19/2019	Expense		No	Bestbooks4U		bookkeeping - august	Checking - Union Bank	191.25	191.25
Total for Accounting Services									\$191.25
Employee Expenses									

Date	Transaction Type	Num	Adj	Name	Class	Memo/Description	Split	Amount	Balance
Payroll Service Fees									
09/04/2019	Expense		No	Gusto	CASCC	GUSTO FEE 350853 CCD 6sem GUSTO FEE 350853 CCD 6semjnvat2	Checking - Union Bank	45.00	45.00
Total for Payroll Service Fees								\$45.00	
Payroll Taxes									
09/24/2019	Journal Entry	Gusto	No			Employer Taxes	-Split-	669.37	669.37
Total for Payroll Taxes								\$669.37	
Payroll Wages/Salary									
09/24/2019	Journal Entry	Gusto	No			Regular Wages	-Split-	8,750.00	8,750.00
Total for Payroll Wages/Salary								\$8,750.00	
Total for Employee Expenses								\$9,464.37	
Total for Professional Services								\$9,655.62	
Workers Compensation									
09/09/2019	Expense		No	AP Intego	CASCC	APIntego ACHTRANS CCD 476 APIntego ACHTRANS CCD 47635480	Checking - Union Bank	49.88	49.88
Total for Workers Compensation								\$49.88	
Membership Dinners - Cost									
09/30/2019	Expense		No	CPH & Associates	CASCC	event insurance	First National Bank of Omaha	176.00	176.00
Total for Membership Dinners - Cost								\$176.00	
Roundtable consultant and technical services									
09/17/2019	Check	2801	No	Environmental Science Associates	Roundtable	invoice 148160	Checking - Union Bank	41,339.42	41,339.42
09/17/2019	Check	2802	No	Environmental Science Associates	Roundtable	invoice 148584	Checking - Union Bank	23,850.00	65,189.42
Total for Roundtable consultant and technical services								\$65,189.42	



UPDATE ON SANTA CLARA COUNTY RHNA SUBREGION FORMATION DECISION



UPDATES TO STATE LAW AND ABAG PROCESS

Process agreed upon by 16 jurisdictions is no longer possible.

- ✓ Can work with ABAG|MTC Draft allocation
- ✓ Will be much costlier
- ✓ Require attorney and more consultant hours

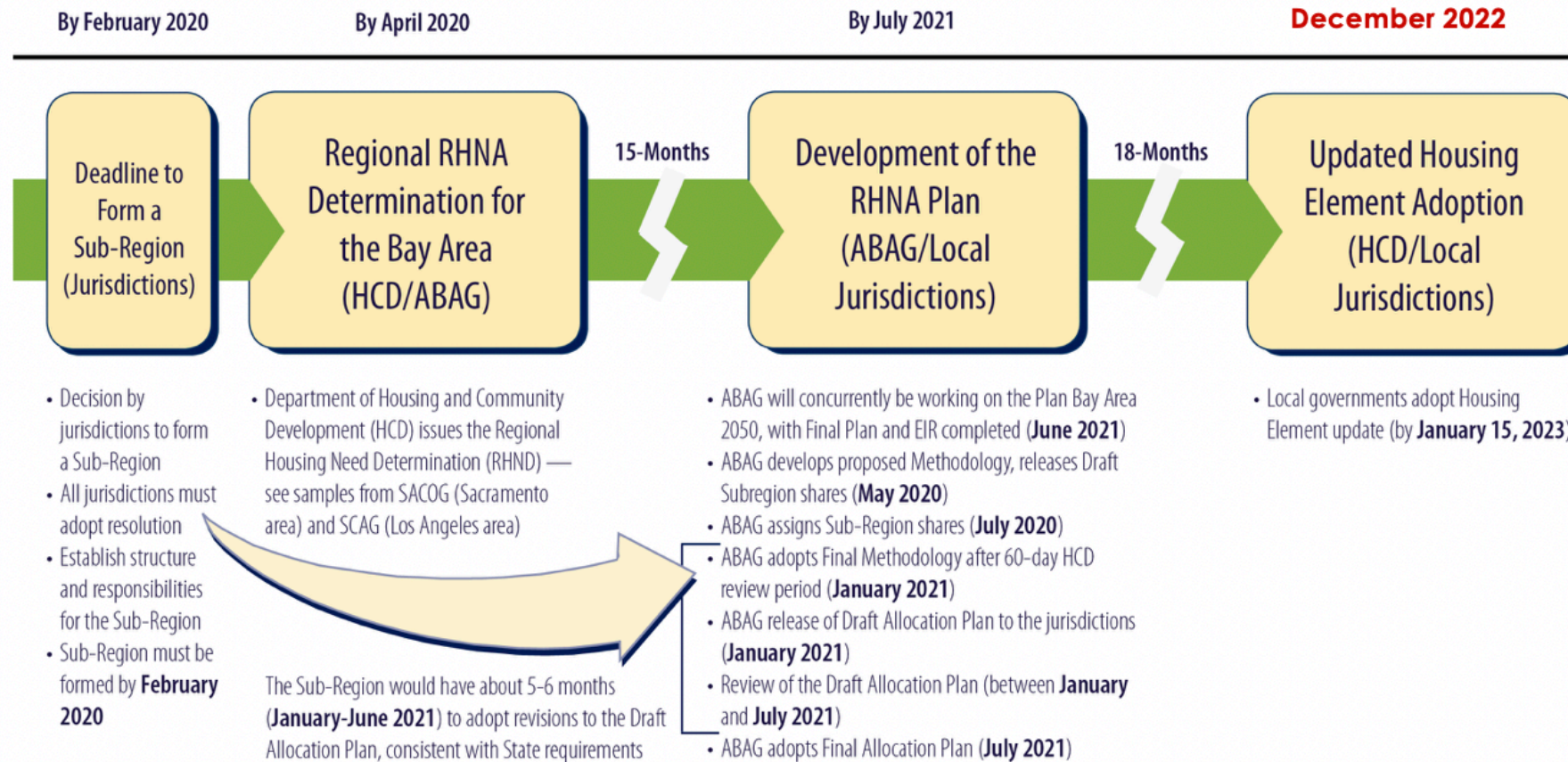
AB 101 and AB 113 creates \$250,000,000 for COGs, Jurisdictions, and subregions

HOW THE SUBREGION ABAG TIMELINE WORK

June 2019	Cities Association Board of Directors Reviews/Approves RHNA Subregion Task Force Recommendation
September/October 2019	Cities Association Board of Directors Review/Approve formation documents
December 2019	Cities/County Resolutions & MOU due to Cities Association
February 2020	Cities Association to submit Formation Documents to ABAG
December 2020	Cities Association RHNA Subregion Methodology Due
January 2021	ABAG RHNA Methodology Due

6th Cycle RHNA and Housing Element Adoption

Major Activities and the Anticipated Timeline



OPTIONS

- ~~RHNA LIGHT 1.0: original estimate was \$50,000~~
- RHNA LIGHT 2.0: consultant time minimum estimated at 150 hours, will need land use attorney.
- RHNA ALL-IN: estimated at \$150,00-200,000 and 500-700 hours of consultant time, land use attorney needed.
- PLANNING COLLABORATIVE: Embrace goals of working as a region without forming the RHNA subregion and instead form a planning collaborative to further positive outcomes to the housing and homelessness challenges faced in Santa Clara County. Similar to San Mateo County's 21 Elements, use the anticipated RHNA Subregion Funds
- DO NOTHING: no effort, no cost, no changes.



9/12/2019
BOARD OF
DIRECTORS
DISCUSSION
CONTINUED
UNTIL OCTOBER
MEETING

The Board requested staff send questions to ABAG|MTC:

- Can you provide a draft of the agreement between ABAG and the subregion by October 4 to be reviewed by the Board?
- Why is there an “opt-out of subregion” date?
- Why are there disparities between HCD and ABAG calendars? For example, why are the due dates for subregion formation different, February 2020 vs. August 2020?
- Can the funds potentially available via AB 101 be used for a planning collaborative (not a subregion) focused on activities related to meeting the 6th RHNA cycle? And when are those funds available.

➤ SAN MATEO COUNTY

- Decision in October
- 5 Cities have voted not to join including San Mateo
- Confidant in 21 Elements
- Increase collaborative efforts via 21 Elements



**2023-2031 RHNA
(50% Increase)
SACOG**

**2023-2031 RHNA
(175% Increase)
SLOCOG**

**2023-2031 RHNA
(225% Increase)
SCAG**

RHNA NUMBER SCENARIOS

CAN WE AFFORD TO DO NOTHING



POLITICAL CLIMATE



WORKING ON THIS
SINCE LAST CYCLE



CIVIL GRAND JURY

QUESTIONS

Andi Jordan

andi@citiesassociation.org

408.766.9534





Cities Association of Santa Clara County Agenda Report

RHNA Subregion Formation

Prepared by: Andi Jordan, Executive Director

Date: September 19, 2019

TOPIC: REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) SUBREGION FORMATION

SUBJECT: DISCUSSION OF APPROVAL FORMATION OF THE RHNA SUBREGION

EXECUTIVE SUMMARY:

It was the intent of the RHNA Subregion Task Force to ask for support of formation of the RHNA Subregion at the most recent Cities Association of Santa Clara County (CASCC) Board of Directors Meeting on September 12, 2019. However, new information was received, and further discussion is needed from the cities and county to determine if mutual collaboration and action is desired.

The subregion process envisioned by the CASCC Subregion Task Force and agreed upon by the 16 jurisdictions is not possible. The process, RHNA Subregion Light, accepting ABAG's numbers and then creating a reallocation process as the subregion's methodology may be much more costly than anticipated unless grant funds are indeed available.

OPTIONS:

1. RHNA Light 2.0:

- With new findings, this is likely to exceed \$50,000. Consultant estimated 150 Hours of time and a land use attorney would be needed.
- This option would take ABAG's draft methodology as a starting point.
- However, the subregion would have to submit final methodology prior to ABAG finishing their final methodology.
- It is not possible to use the last cycle methodology as criteria for the methodology has changed.
- Grant money may be available from AB 101.

2. RHNA All-In:

- The Subregion would create own methodology (with a consultant and an attorney), estimated 500-700 hours of consultant time.
- Resolution and MOU would need to be modified.
- This is estimated at \$150,000 - \$200,000
- Grant money may be available from AB 101.

3. Planning Collaborative:

- Embrace the goals of working as a region without forming the RHNA subregion and instead form a planning collaborative to further positive outcomes to the housing and homelessness challenges faced in Santa Clara County.

- Similar to San Mateo County's 21 Elements, use the anticipated RHNA subregion funds designated in the MOU and RHNA Light Plan. Collaboration opportunities may include planning, housing element, "Home for All"/ADUs effort, RV dwellers, homelessness, legislative guidance by consultants.
- Budget \$50,000 for first year since that is what jurisdictions had planned.
- Grant money may be available from AB 101.

4. Do nothing: no effort, no cost, no changes to outcomes.

September 12, 2019 Cities Association Board of Directors discussion:

- The Executive Board of Directors recommended moving forward IF the subregion is able to accomplish our goals of working with ABAGs numbers (RHNA Light)
- In light of the recent obstacles to forming a subregion, RHNA Subregion Task Force Chair/San José Vice Mayor Chappie Jones asked for consideration of amending the MOU/Resolution of forming the subregion to support forming a regional planning collaborative via the Cities Association to further mutual goals and address the critical housing and homeless needs of the cities and county. This avenue would allow cities and the county to continue working together.
- Discussion was continued until October 2019:
 - Members return to their Councils for direction if needed.
 - The Board requested staff send questions to ABAG|MTC. Responses to these questions have not been received.
 - Can you provide a draft of the agreement between ABAG and the subregion by October 4 to be reviewed by the Board?
 - Why is there an "opt-out of subregion" date?
 - Why are there disparities between HCD and ABAG calendars? For example, why are the due dates for subregion formation different, February 2020 vs. August 2020?
 - Can the funds potentially available via AB 101 be used for a planning collaborative (not a subregion) focused on activities related to meeting the 6th RHNA cycle? And when are those funds available.

BACKGROUND:

Under state law, the California Department of Housing and Community Development identifies the total housing need statewide and assigns housing numbers to the Council of Governments for an eight-year period. In the Bay Area, the Association for Bay Area Governments (ABAG) is the Council of Government. In turn, ABAG conducts a regional process to determine the methodology and distribute housing numbers to individual jurisdictions in the nine county Bay Area. Jurisdictions then adopt Housing Elements as part of their General Plans that indicate how many units they plan for at different affordability levels and where jurisdictions will accommodate future growth.

- In 2004, the Governor signed legislation that allows jurisdictions to voluntarily form RHNA subregions. Councils of Governments would provide these subregions with its own housing numbers. The legislation allows subregions to determine a methodology and to allocate housing numbers amongst its members. Members of the subregion must include the County, and any jurisdictions must be geographically contiguous. If the subregion fails to perform the allocation as required, or if a member or the County of the subregion withdraws from the subregional process, ABAG will step in to exercise default

responsibility. Currently, San Mateo, Napa, and Solano Counties each have operational subregional frameworks.

- Since 2015, the Cities Association of Santa Clara County (Cities Association), a member-organization made up of the 15 cities of Santa Clara County, has convened a taskforce to assess the feasibility of a Santa Clara County RHNA subregion.
- The Santa Clara County Civil Grand Jury issued a report on June 21, 2018. The report recommended that the County pursue a RHNA subregion to increase communication and coordination among jurisdictions.
- September 2019 The Cities Association Board has voted to pursue a Santa Clara County RHNA subregion and was ready to ask for formal participation via a Memorandum of Understanding which emphasizes that the mission of the Santa Clara County RHNA subregion is to provide a forum for collaboration and discussion in the County. The Memorandum of Understanding also notes that all trades must be voluntary between jurisdictions and no jurisdiction has the power to force another to take on a certain share of housing numbers. The subregion includes one “vote” per jurisdiction. If there are any changes to state law that change the terms of the Memorandum of Understanding, each jurisdiction will review and reaffirm participation in the RHNA subregion.
- The Cities Association and ABAG have outlined the following timeline for the subregion:

June 2019	Cities Association Board of Directors Reviews/Approves RHNA Subregion Task Force Recommendation
September/October 2019	Cities Association Board of Directors Review/Approve formation documents
December 2019	Cities/County Resolutions & MOU due to Cities Association
February 2020	Cities Association to submit Formation Documents to ABAG
December 2020	Cities Association RHNA Subregion Methodology Due
January 2021	ABAG RHNA Methodology Due

Discussion:

The Association members and the County must decide if the RHNA subregion process envisioned is about RHNA allocation and numbers or if the desired outcome of regional solutions for housing and positive collaboration is the goal.

Possible motions:

- Move to end the RHNA Subregion Effort.
- Move to form a subregion (either all-in or “RHNA Light 2.0”)
- Move to form a planning collaborative and ask RHNA Subregion Task Force to modify MOU/Resolution from a subregion to a planning collaborative and return at earliest opportunity.

Current action by cities:

	RHNA Subregion Light 2.0	RHNA All-In	Do Nothing	Planning Collaborative
Campbell				
Cupertino				✓
Gilroy				
Los Altos				
Los Altos Hills				✓
Los Gatos				
Milpitas				
Monte Sereno				
Morgan Hill				
Mountain View				
Palo Alto				
San José				
Santa Clara				
Saratoga				
Sunnyvale				
Santa Clara County				

Attachments:

1. Planning Collaborative: How to Kick Off the Effort with \$50,000
2. Housing Element Fact Sheet: What is RHNA by 21 Elements (Baird and Driscoll)
3. Comparison of 5th & 6th Cycle RHNA
4. Housing Element Fact Sheet: Why is Housing Element "Certification" Important
5. Housing Element Fact Sheet: Summary of Changes to Site Inventory
6. Summary of CA 2017 Housing Law Changes by Goldfarb and Lipman

Planning Collaborative: How to Kick Off the Effort with \$50,000

Organizational Structure

1. Amend MOU/Resolution created for the Subregion to create the Planning Collaborative.

Setting up and undertaking coordination and peer learning opportunities

1. Help cities understand the new housing laws and what is required to implement them
2. Meetings involving all jurisdictions that could cover presentations from outside experts (maybe HCD, ABAG, etc.), new state laws, housing element requirements, sharing needs and best practices, etc.
3. Organizing mechanisms — email lists and jurisdiction contacts, website? etc.
4. Relationship with other entities — SCAPO, etc.
5. Participation in regional discussions, such as the ABAG Methodology committee, implementation of the CASA enabling law (if its signed by the Governor), etc.
6. Query jurisdictions about countywide strategies they might want to pursue (such as and linkage with PDA's, etc.)
7. Become a resource to answer staff questions about housing related topics

Informational Materials (for housing elements primarily but other as well, such as new state laws, etc.)

1. Help raise awareness about the need to rezone/prepare now.
2. Provide other informational materials and important messaging points (such as fact sheets, etc.)
3. Presentation materials (PowerPoints, props, etc.) — such as presentation and materials explaining RHNA and housing elements and the importance of housing element certification
4. Draft staff reports
5. Other background materials as identified
6. Sharing SB2 technical assistance and planning grants materials

Immediate Housing Element update assistance

1. Help in identifying sites and development capacity based on new state law requirements
2. Provide support around the linkage between land use types and housing development feasibility (examples of successes in the county)
3. Confirm approach to special issues, such as counting ADU's, etc.
4. Other

Other

2. Create a Santa Clara County ADU Calculator



Housing Element Fact Sheet

What is RHNA?

Regional Housing Needs Allocation — prepared September 24, 2019

Since 1969, the State of California has required that local governments adequately plan to meet their fair share of the housing needs of the region through adoption of a state-approved housing element as part of their general plan to serve as the local government's "blueprint" for how the city and/or county will grow and develop. The next housing element period in the Bay Area will run from 2023 to 2031.

The RHNA is the state-required process that seeks to ensure cities and counties are planning for enough housing to accommodate their fair share of housing for all economic segments of the community. Development of the RHNA will be undertaken in parallel with ABAG preparing Plan Bay Area 2050, which is a long-range plan charting the course for the future of the nine-county San Francisco Bay Area. Plan Bay Area 2050 will focus on four key issues — the economy, the environment, housing and transportation — and will identify a path to make the Bay Area more equitable for all residents. The RHNA process is split into four basic steps.

Step #1 — Regional Housing Determination: The California Department of Housing and Community Development (HCD) provides each region, such as the Bay Area, a regional determination of housing need, which includes a total number of units split into four income categories (very low, low, moderate and above moderate income). HCD is expected to release the regional housing determination for the Bay Area in April 2020. Dramatic increases in the range of 100-225% are expected due to recent changes in state housing law.

Step #2 — RHNA Methodology: Councils of Governments are then responsible for developing a RHNA Methodology for allocating the overall regional determination to each jurisdiction in the region. This methodology must further a series of state objectives and address specific factors identified in state law. ABAG, which stands for the Association of Bay Area Governments, is the designated Council of Governments in the Bay Area. ABAG is expected to work on the methodology through a public process beginning October 2019 and finishing by January 2021.

Step #3 — Allocating the Regional Housing Need (RHNA): ABAG then uses the methodology developed in step #2 to distribute the regional housing determination from HCD to all the cities in the nine-county Bay Area region. This distribution is called the RHNA. The draft RHNA is expected to be available in January 2021, with adoption of the Final RHNA Plan by July 2021.

Step #4 — Housing Element Updates: All jurisdictions must adopt an updated housing element by December 2022 that demonstrates, among other things, how it can accommodate its assigned RHNA number through its zoning and general plan. HCD will review each jurisdiction's housing element for compliance with state housing law.

Sub-Region Option: Local jurisdictions in a county can choose to form a Sub-Region to create their own methodology and to allocate the RHNA numbers assigned by ABAG, but they cannot reduce their overall RHNA numbers. In the past, this has allowed San Mateo County cities to trade some responsibility for housing units, but trades are unlikely now given the dramatic increases in RHNA that are expected.

Comparison of 5th and 6th Cycle Regional Housing Needs Allocations (RHNA)

Prepared August 28, 2019 by 21 Elements

Jurisdiction	Total RHNA	Numerical Change RHNA 5 to RHNA 6	Percent Change RHNA 5 to RHNA 6
Calaveras County RHNA 6 (2018-2027)	1,340		
RHNA 5 (2014-2019)	1,240	+100	+8.1%
Colusa County RHNA 6 (2018-2028)	1,235		
RHNA 5 (2014-2019)	1,160	+75	+6.5%
Humboldt County Association of Governments RHNA 6 (2018-2027)	3,390		
RHNA 5 (2014-2019)	2,060	+1,330	+64.6%
Lake County-City Area Planning Council RHNA 6 (2018-2027)	1,905		
RHNA 5 (2014-2019)	2,070	-165	-8.0%
Mendocino Council of Governments RHNA 6 (2018-2027)	1,845		
RHNA 5 (2014-2019)	250	+1,595	+638.0%
Mono County RHNA 6 (2018-2027)	240		
RHNA 5 (2014-2019)	120	+120	+100.0%
Shasta County RHNA 6 (2018-2028)	3,675		
RHNA 5 (2014-2019)	2,200	+1,475	+67.0%
San Diego Association of Governments (SANDAG) RHNA 6 (2020-2029) *	171,685		
RHNA 5 (2010-2020)	161,980	+9,705	+6.0%
San Luis Obispo Association of Governments (SLOCOG) RHNA 6 (2018-2028)	10,810		
RHNA 5 (2014-2019)	4,090	+6,720	+164.3%
Sacramento Area Council of Governments (SACOG) RHNA 6 (2018-2028)	153,512		
RHNA 5 (2013-2021)	104,970	+48,542	+46.2%
Southern California Association of Governments (SCAG) RHNA 6 (2021-2029)	1,344,740		
RHNA 5 (2014-2021)	412,137	+932,603	+226.3%

Source: 21 Elements as derived from the California Department of Housing and Community Development website accessed August 9, 2019 — <http://www.hcd.ca.gov/community-development/housing-element/index.shtml>

* The SANDAG increase was so much lower, on a percentage increase basis, than the others, due to the following reasons: (1) the need to include existing demand for underhoused persons became effective after the SANDAG numbers were already determined; and, (2) the SANDAG numbers for the fifth cycle were adopted before the 2008 recession and did not account for the reduced demand. So their fifth cycle numbers did not have the kind of dropoff as the Bay Area had for the 5th cycle (2014-2022).



Housing Element Fact Sheet

Why is Housing Element “Certification” Important?

Prepared October 2, 2019

As part of the legislature's housing package of 2017 were several bills that clarify and strengthen existing laws and increase accountability and enforcement related to housing element content and implementation. As a result, local consistency with state law is even more critical and the California Department of Housing and Community Development (HCD) has more enforcement power to make sure this happens.

The consequences of non-compliance with the Housing Element law now include among other things, court actions and penalties up to \$600,000 per month, loss of eligibility for millions of dollars of regional and state funding, having to prepare your housing element every four years (vs. eight), and risk of your General Plan being deemed non-compliant.

The summary below covers some of the consequences of non-compliance in more detail.

Summary of Possible Actions and Consequences of Housing Element Non-Compliance

1. **Cities Can Be Sued.** Cities can be sued for having out of compliance housing elements. The results of lawsuits include:
 - a. **Loss of Local Control** — Courts have at times blocked the ability of cities to issue non-residential building permits.
 - b. **Fines** — Courts can impose fines starting at \$10,000 per month and increasing to as much as \$600,000 per month.
2. **Reduced Access to Funding.** There are a number of sources of funding tied to have a certified housing element. These include:
 - a. **Reduced Access to State Funding.** No access to certain housing funding from Proposition 1 (such as SB2 Technical Assistance and Planning Grants), no access to certain cap and trade dollars, the Infill Incentive Grant Program of 2007 and no access to certain transportation planning grants.
 - b. **Reduced Access to Regional Funding (OBAG 1 and OBAG 2 Examples).** Under OBAG 1 (roughly \$20 million allocated for San Mateo County jurisdictions) are subject to a housing element requirement. For example, Menlo Park and Millbrae

had funding programming withheld until the requirement of a certified housing element was met. See page 24 of pdf for the requirement at https://mtc.ca.gov/sites/default/files/RES-4035_approved.pdf

For OBAG 2 (roughly about \$24 million is subject to a housing element requirement). As shown on page 33 and page 20 of the resolution headed: "Jurisdictions need to comply with the following policies, as well as other requirements noted in the document, in order to be eligible recipients of OBAG funds." https://mtc.ca.gov/sites/default/files/RES-4202_approved.pdf In addition, page 62 of "Performance and Accountability Policies" identifies requirements for C/CAG to fill out. And page 65 is a local compliance checklist. This requirement is anticipated for the foreseeable future rounds of OBAG.

In addition, the region (MTC) and the state continue to look to expand efforts to link eligibility for other funding sources to certified housing elements.

3. **Additional Planning Requirements — Four-Year Versus Eight-Year Housing Element Update Cycle.** To strengthen the connection between housing and transportation planning, the schedules for regional housing needs assessments and local government housing element updates are more in-line with regional transportation plans. If a local government in the Bay Area fails to adopt its housing element within 120 days of the statutory due date (December 2022, with the planning period going from 2023-2031), the jurisdiction will be required to update its housing element every four years until it adopts at least two consecutive revisions by the applicable due dates.
4. **Carryover of the Regional Housing Needs Allocation (RHNA) from Previous Cycles.** A jurisdiction's RHNA DOES NOT carry over from previous RHNA cycles. However, the carryover of RHNA units from a previous cycle to the current cycle can be required if a jurisdiction fails to adopt a compliant housing element. As an example, in 2012 Urban Habitat partnered with Public Advocates to settle a lawsuit with the City of Menlo Park for failing to update its housing element. Menlo Park was required to address in 2007-2014 RHNA as well as the carryover RHNA from the previous housing element. The city was also required to allow the carryover units to be allowed "by-right" and not subject to discretionary review in a newly created R-4-S zoning designation.
5. **Inadequate General Plan.** When a jurisdiction's Housing Element is found to be out of compliance, its General Plan is at risk of being deemed inadequate, and therefore invalid. Because there must be findings of general plan consistency in most planning and development decisions, a local government may run the risk of approving projects based on a non-compliant, inadequate General Plan.

Increased Enforcement of Housing Element Compliance

A 2009 summary by 21 Elements of previous enforcement lawsuits over inadequacy of housing elements can be found here: <http://21elements.com/documents-mainmenu-3/housing-elements/archiving-including-rhna-4/rhna-4-2007-2014/legal-requirements-and-compliance/362-certification-and-housing-elements>. The irony is that after spending large amounts of time and money defending their position, all jurisdictions ended up having to comply with state housing law. The pace and magnitude of enforcement is increasing at an unprecedented rate.

Governor Newsom has clearly prioritized enforcement of the housing element law. In his first state of the state address he noted that 47 jurisdictions were out of compliance and “there must be accountability.” He praised Anaheim and Santa Rosa by name for their compliance but highlighted the fact that his administration had already sued Huntington Beach. He also noted that Clovis was “trying,” but that Wheatland, Huntington Park, and Montebello were not.¹ In February, Governor Newsom personally met with California mayors representing cities not compliant with Housing Element law. In March, Governing magazine published an article titled “Why California is Suing Its Own Cities” reporting that “Newsom has continued to pound at the idea that lack of action will now have real consequences” and that “For the most part, however, mayors recognize that the governor has the upper hand. They are looking for ways to collaborate with him, if only to avoid lawsuits.”²

Since then, HCD has issued several press releases detailing its enforcement efforts and the progress of cities coming into compliance. Each enforcement letter is posted on HCD's website here: <http://www.hcd.ca.gov/community-development/accountability-enforcement.shtml>. At the time of this writing, this website lists open housing element enforcement actions by HCD against 56 jurisdictions.

HCD Process of Housing Element Compliance

Over the years, California has steadily increased the penalties for not having a legally compliant Housing Element, and this trend is expected to continue. In addition to review and comment and determination of compliance, HCD may also notify the Office of the California Attorney General that a local jurisdiction is in violation of state law for non-compliance with housing element law, the Housing Accountability Act, “no net loss” law, density bonus law or anti-discrimination law.

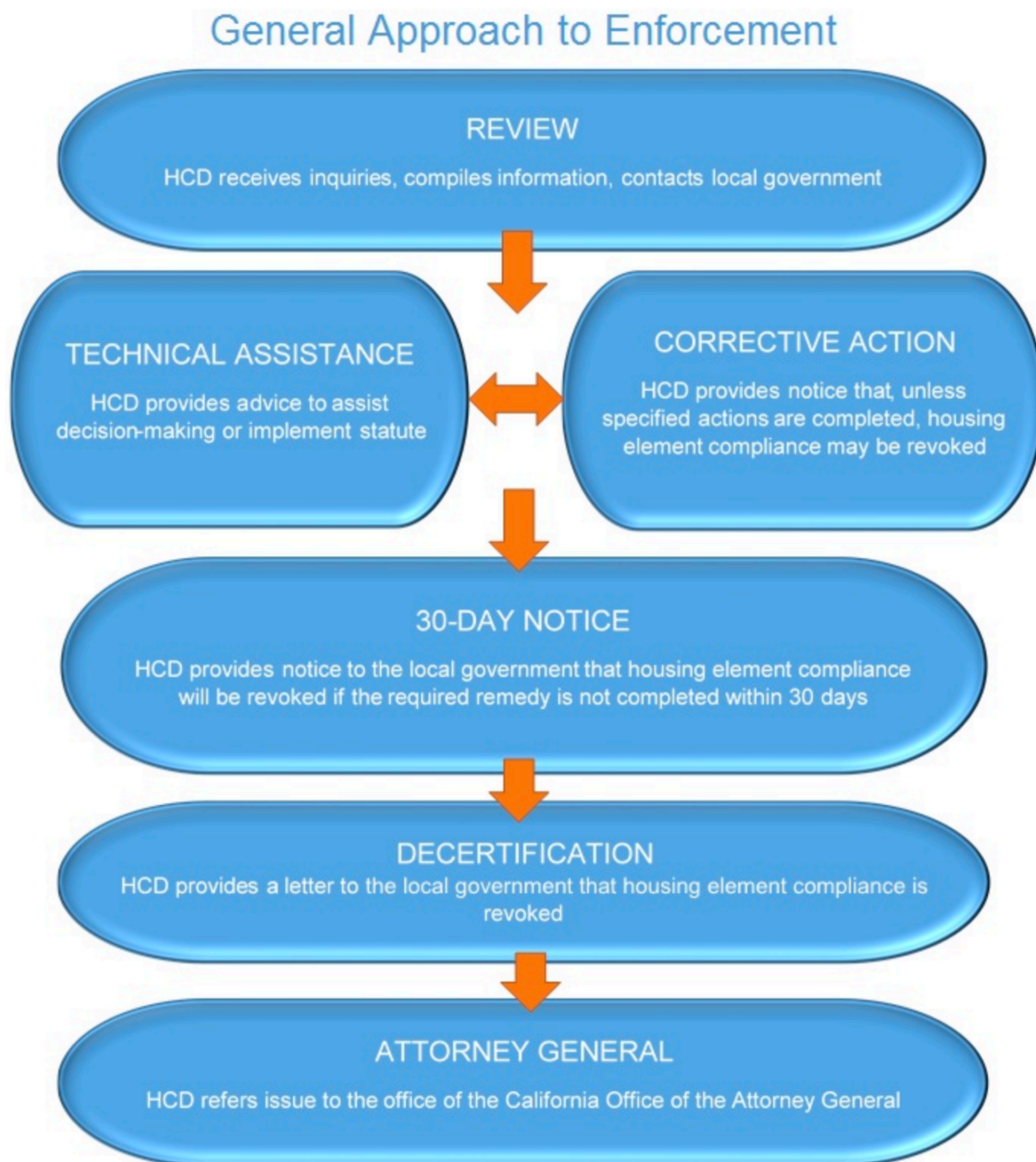
¹ <https://www.gov.ca.gov/2019/02/12/state-of-the-state-address/>

² <https://www.governing.com/topics/urban/gov-california-governor-newsom-housing.html>

A Housing Element is considered out of compliance with State law if one of the following applies —

1. **On Time Adoption.** It has not been revised and updated by the statutory deadline.
2. **Content Inadequacy.** Its contents do not substantially comply with the statutory requirements. If a Housing Element is certified, there is a presumption that it is adequate, and a plaintiff must present an argument showing that it is in fact inadequate.

The HCD review process and actions are illustrated in the graphic below and summarized in the text that follows.



Initiating HCD Review

HCD may initiate review of an issue based on its formal review, or information contained within a housing element, annual progress report, stakeholder comment letter, phone call, email, news article, or additional source. During its review, HCD may consult with any local government, agency, group, or person.

HCD Process, Actions and Results

Generally, the first step in HCD review involves conversations with the local government to define the circumstances surrounding the issue to gain an understanding from the local government's perspective. Based upon information received, HCD may choose to monitor a situation prior to taking additional action.

If the circumstances warrant additional action, HCD may issue a letter of inquiry, a letter containing technical assistance, or a letter requesting corrective action. Local governments are generally provided 30 days to respond before HCD takes further action. However, this timeframe may be adjusted on a case-by-case basis. The graphic below, from the HCD website, shows HCD's general approach to enforcement under AB 72.



SHORT SUMMARY CHANGES TO HOUSING ELEMENT SITES INVENTORY FOR RHNA 6

New Rule 1 – Small, Large and Non-vacant Sites: Increased scrutiny

Explanation: Before being included in a sites inventory, some sites will require significant evidence that housing is likely to be developed during the Housing Element period. This may include, for example, statements by developers or submitted plans.

Small sites less than 0.5 acre
(lower income)
Large sites greater than 10 acres
(lower income)
Non-vacant sites¹



Presumed unlikely to develop¹

New Rule 2 – Reusing Sites: New limits.

Explanation: There will be limits on sites that were listed in previous housing elements.

Sites used in previous
housing element²



To be eligible as lower income sites, sites must be rezoned to default density (either 20 du/acre, 8 jurisdictions, or 30 du/ac, 13 jurisdictions, depending on size) and development must be allowed by right if 20% of the units are affordable

New Rule 3 – Vacant sites: The definition of vacant is getting much stricter

Explanation: Many sites that were considered vacant in previous cycles will no longer be vacant.

Parking lots
Partially vacant but not subdivided
Contain power lines
Contain an abandoned house
Used for agriculture.



Are likely to no longer be considered vacant

¹ Non-vacant sites are only presumed unlikely to develop if non-vacant sites are used to meet 50%+ of the lower income housing need. If a city does not meet the 50% lower income threshold, more justification is still needed than previous cycles, though not as high as for cities that are more heavily dependent on non-vacant sites.

² To be affected by this new rule vacant sites had to be listed in previous HEs for 2 cycles, while nonvacant sites had to be listed for 1 HE cycle



General

Below are a number of other general changes impacting the next round of housing elements.

1. **Maintaining an Income Specific Housing Inventory throughout the Housing Element Period** - Cities must have enough sites to meet their RHNA throughout the planning period for all income levels. Specifically, if a city used the default density to count a site towards its lower income housing need, but approved a market rate development, they have to make a finding that they still have capacity to meet their RHNA or rezone or make a new site available within 180 days.
2. **Affirmatively further fair housing** (AB 686) – New rules meant to ensure opportunity for all residents may limit the ability of cities to identify new housing sites in lower income areas.
3. **One-for-One Replacement** - Sites listed in a Housing Element that had lower income housing (or a lower income occupant) within the past five years must replace that housing at the same or lower income level as a condition of approval (starting in RHNA 6).
4. **APN** - All sites must have Assessor Parcel Numbers (APNs) assigned.
5. **Utilities** – All sites must have adequate utilities or an approved plan for the provision of utilities.
6. **Comparison to similar projects** - Jurisdictions must do a review of densities of similar projects, including affordability levels, when making assumptions about how many units to claim on a site and at what affordability levels. Non-vacant sites must also be evaluated based on market demand and the past experience of jurisdictions.
7. **Impact Fees** – Jurisdictions must examine impact fees as a potential constraint to housing production.
8. **Increases to RHNA** – Changes to how RHNA is calculated will likely put a stronger emphasis on job rich areas, which will likely mean an increase in RHNA for San Mateo County for RHNA 6.

Please note: This is not legal advice. This is an attempt to capture complex laws in a very short format. The laws have significant more complexity than is summarized here. Please consult your jurisdiction's legal counsel for more information. Thanks to Goldfarb and Lipman for reviewing this draft material.



EXCERPT FROM GOLDFARB AND LIPMAN'S RECENT DEVELOPMENTS IN CA HOUSING LAW SUMMARY OF 2017 HOUSING LEGISLATION

A. Future Housing Element Sites Restricted (AB 879 and AB 1397; Government Code §§ 65583 and 65583.2)

AB 1379 and AB 879 require cities and counties to provide additional analysis when adopting a housing element and seek to limit the designation of certain sites as suitable for lower-income housing, especially non-vacant sites. Although most housing elements in the state will not be required to be revised until 2021 to 2023, cities and counties should be aware of the substantial changes regarding adequate sites.

1. **Site Inventory Requirements.** Housing elements previously required land inventories that identify sites that could accommodate housing development. Now, the site inventory must include the "realistic and demonstrated potential" for identified sites to accommodate housing development. While the realistic and demonstrated potential is not clearly defined, new requirements for the site inventory may shed light. The site inventory must now identify each property by its assessor parcel number (rather than allowing other identifiers) and then describe whether the property either currently has access to sufficient water, sewer, and dry utilities, or is scheduled to have such access according to an adopted plan. As currently required, the site inventory must identify the number of units that can "realistically be accommodated" on site, but AB 1397 requires more justification of the number of units identified for each site, including a review of the density of projects on similar sites in the jurisdiction and at similar affordability levels.
2. **Restrictions on Site Designations.** AB 1397 revises Government Code section 65583.2 to impose new restrictions on which sites may be included in the site inventory based on the size and current use of the site. Sites smaller than one-half acre and those larger than ten acres are presumed to be inappropriate for development of housing affordable to lower-income households, unless the jurisdiction can provide evidence why the site would be appropriate. Acceptable evidence includes either a proposal for or an approved development project affordable to lower-income households for the site.



3. **Use of Vacant Sites in the Site Inventory.** Vacant sites that were previously included in prior housing element site inventories are subject to additional scrutiny. If a vacant site was identified in two or more consecutive planning periods to accommodate lower-income households but was not a site of an approved housing development, or if a non-vacant site was identified in a prior housing element, the site cannot be used to fulfill the jurisdiction's obligation to accommodate development for lower-income households unless:
- the site is or will be rezoned to the minimum lower-income household density for the jurisdiction within three years; and
 - the zoning allows for residential development by right if at least twenty percent (20%) of the units are affordable to lower-income households.
4. **Use of Non-vacant Sites in the Site Inventory.** For each non-vacant site identified in the housing element site inventory, the development potential for the site must additionally consider the jurisdiction's past experience converting existing uses to higher density residential development, the current market demand for the existing use, and an analysis of any existing leases or contracts that could prevent redevelopment of the site.
- Additionally, if a jurisdiction relies on non-vacant sites to accommodate fifty percent (50%) or more of its housing need for lower-income households, the "*existing use shall be presumed to impede additional residential development*, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period." Sites identified for housing development that currently or within the last five years contained residential units occupied by lower-income households, or were subject to an affordability requirement or local rent control policy, must be replaced one-for-one with units affordable to the same or lower income levels. This replacement requirement must be a condition to any development of the site.
5. **Additional Analysis Required.** The analysis of governmental constraints on the production of housing must specifically address "any locally adopted ordinances that directly impact the cost and supply of residential development." Such ordinances likely include mitigation fees related to traffic, parks, and utilities, but could potentially be interpreted to include typical zoning constraints like height limits or mandatory setbacks from streets and lot lines.

Finally, the housing element must expand the analysis of nongovernmental constraints on the production of housing. AB 1397 requires that this analysis discuss any requests to develop housing at densities below the density identified for the site in the land inventory, describe the length of time between project approval and a request for building permits, and identify local efforts to address nongovernmental constraints.



REQUEST TO PRESENT TO THE BOARD OF DIRECTORS

Return to executive_director@citiesassociation.org at least 2 weeks prior to the Board Meeting for consideration.

NAME OF ORGANIZATION: VALLEY TRANSPORTATION AGENCY (VTA)

Name of Contact Person: Stephen Flynn

Phone: (408) 321-5720

Email: stephen.flynn@vta.org

Presenters: Steve Mermelstein (consultant - RSM)

Pat Hagan (consultant - RSM)

REQUEST (WHAT WILL BE PRESENTED?):

A short PowerPoint presentation (7-10 minute) will be provided on the objective, scope, major factors being evaluated, opportunities for input, deliverables, and projected schedule for the recently-initiated independent VTA Governance Study being performed by RSM US LLP.

RELEVANCE TO THE CITIES ASSOCIATION:

VTA is an independent special district with broad responsibilities that include bus and light rail operation, regional commuter and inter-city rail service, paratransit service, congestion management, highway improvement projects, construction of transportation infrastructure, and countywide transportation planning for Santa Clara County. It is governed by a 12-member Board of Directors comprised of elected representatives from VTA's Member Agencies (the 15 cities in the county and the County of Santa Clara).

As such, VTA's services and the policy decisions made by its governing board affect all jurisdiction in the county. Given this, Cities Association members should have strong interest in this study that is intended to culminate with recommendations for potential enhancements to the VTA governance structure and/or process.

WHAT ACTION IS REQUESTED OF THE CITIES ASSOCIATION?

None other than to inform their respective city councils of this study (information will also be sent to city managers for posting and distribution).

MATERIALS TO BE SENT TO SUPPORT PRESENTATION:

8-10 slide PowerPoint presentation. Also, hardcopy versions of the presentation can be provided, if needed.



REQUEST TO PRESENT TO THE BOARD OF DIRECTORS
Return to executive_director@citiesassociation.org at least 2 weeks prior to the Board Meeting for consideration.

NAME OF ORGANIZATION:

SILICON VALLEY LEADERSHIP GROUP

Name of Contact Person:

Jason Baker

Phone: 408-501-7884

Email: jbaker@svlg.org

Presenters: Jason Baker

REQUEST (WHAT WILL BE PRESENTED?): BRIEFING ON **FASTER BAY AREA MEASURE**, A POTENTIAL **9** COUNTY REGIONAL TRANSPORTATION MEASURE TARGETED FOR THE **NOVEMBER 2020** BALLOT.

RELEVANCE TO THE CITIES ASSOCIATION: THIS IS A REGIONAL EFFORT INTENDED TO ADDRESS REGIONAL TRANSPORTATION ISSUES; IT IS THE KIND OF ISSUE THE **CITIES ASSOCIATION** WAS CREATED TO HELP ADDRESS.

WHAT ACTION IS REQUESTED OF THE CITIES ASSOCIATION? NO ENDORSEMENT OR OTHER ACTION ITEM AT THIS TIME. THIS IS AN INFORMATIONAL ITEM AND WILL SERVE AS ONE FORUM IN WHICH MEMBERS OF THE **CITIES ASSOCIATION** MAY OFFER FEEDBACK ON THE PROCESS AND SUBSTANCE OF THE **FASTER** MEASURE.

MATERIALS TO BE SENT TO SUPPORT PRESENTATION: