**DRAFT Housing Element Staff Report**

January 2021

**Note:** This document contains sample language you can use when preparing a staff report introducing your City Council and/or Planning Commission to Housing Elements. Be sure to replace the yellow highlights with information for your jurisdiction. Additionally, if you are hiring a consultant, adjust the language accordingly.

# **Executive Summary**

The Housing Element is part of JURISDICTION’s General Plan and identifies policies and programs to meet the housing needs of the city’s current and future residents. State law (Government Code Sections 65580-65589.8) requires that every city and county in California adopt a Housing Element, approximately every eight years. In addition, the State Department of Housing and Community Development (HCD) reviews and certifies that each JURISDICTION’s Housing Element meets all the requirements of the law. JURISDICTION’s previous Housing Element was adopted in YEAR and the new document must be adopted by January 2023, but the approval process can take several months. The work effort to update the Housing Element is now getting underway, as outlined in this memo. No Council (or Commission) action is required at this time.

This Housing Element update process is expected to be more time intensive and rigorous than previous cycles for several reasons. JURISDICTION’s Regional Housing Needs Allocation (RHNA) is significantly higher than last cycle, NUMBER compared to PREVIOUS NUMBER. Also, because of changes in state law, it will be harder to identify sites that can count towards meeting the RHNA. There are also other new rules, such as Affirmatively Furthering Fair Housing (described below), which are in effect for the first time this cycle.

Adjust accordingly if you are hiring a consultant. The City will be collaborating with other jurisdictions in Santa Clara County to complete our Housing Element through the Santa Clara County Planning Collaborative. The Collaborative will assist JURISDICTION staff in completing the necessary tasks to achieve a certified Housing Element. This approach will be significantly less expensive than the traditional route of hiring a consultant to run the process.

JURISDICTION will also need to update its Safety Element and potentially add an Environmental Justice Element.

# **Housing Element Overview**

JURISDICTION’s previous Housing Element covered 2015 to 2023 and was adopted in DATE and certified in DATE. The new Housing Element will be for the 2023-2031 planning period[[1]](#footnote-1).

The Housing Element typically includes several major components:

1. **Housing Needs Assessment**: Analyze demographic and housing trends and conditions.
2. **Constraints Analysis**: Analyze and address existing and potential governmental and nongovernmental constraints to the development of housing.
3. **Evaluation of Past Performance**: Assess progress in implementing the policies and programs from the prior Housing Element.
4. **Housing Sites Inventory**: Identify housing sites available for development or redevelopment, ensuring that there is sufficient capacity to address the Regional Housing Needs Allocation.

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| **Jurisdiction** | **RHNA 6 (Jan. 2021 Draft)** |
| Campbell | 2,977 |
| Cupertino | 4,588 |
| Gilroy |  1,773  |
| Los Altos |  1,958  |
| Los Altos Hills | 489 |
| Los Gatos | 1,993 |
| Milpitas | 6,713 |
| Monte Sereno | 192 |
| Morgan Hill | 1,037 |
| Mountain View | 11,135 |
| Palo Alto |  6,086  |
| San Jose | 62,202 |
| Santa Clara | 11,632 |
| Saratoga | 1,712 |
| Sunnyvale | 11,966 |
| Unincorporated | 3,126 |
| COUNTY TOTAL |  129,579 |

1. **Policies and Programs**: Establish policies and programs to address the identified housing needs.
2. **Community Outreach** **and Engagement**: Conduct a thorough program of community engagement, with a particular focus on outreach to traditionally underrepresented groups.

# **Regional Housing Needs Allocation (RHNA)**

Every city in California receives a target number of homes to plan for. This is called the Regional Housing Needs Allocation or RHNA. JURISDICTION’s RHNA is NUMBER, a PERCENT increase from last cycle’s RHNA of PREVIOUS NUMBER. Cities do not need to ensure these homes are built, but do need to put in place the proper zoning and address constraints so the private sector can build the housing. For context, the RHNA for all cities in Santa Clara County are summarized in the table to the left.

The RHNA is broken down by income category. JURISDICTION’s income specific RHNA is

Very Low Income: NUMBER

Low Income: NUMBER

Moderate Income: NUMBER

Above Mod Income: NUMBER

**Total: NUMBER**

Almost all jurisdictions in the region (and in other regions) had a higher RHNA this cycle. This is primarily due to changes required by a new law that better accounts for existing overcrowding.

This cycle, a jurisdiction’s RHNA is based on the following factors

* Projected 2050 population according to Plan Bay Area[[2]](#footnote-2)
* Proximity to jobs (both by car and public transportation)
* The percent of households living in high opportunity areas (based on school, environmental
* hazards, jobs, etc.)

The above illustrative RHNA allocations are based on the methodology adopted by the ABAG Executive Board on January 21 that is now being submitted to the State Housing and Community Development Department for review and approval. The revised methodology adopted by the Board takes into account an “equity adjustment” which identifies jurisdictions that score highly on a racial and economic exclusion index[[3]](#footnote-3). This index is based on the jurisdiction’s divergence index score (a measure of diversity) and the percent of the jurisdiction’s households above 120 percent of Area Median Income (AMI).

This process flagged 49 jurisdictions (including Jurisdiction, if applicable). The equity adjustment requires that these 49 jurisdictions receive an allocation of very low- and low-income units that is at least proportional to their share of the region’s total households in 2020. This means that to have a proportional allocation, a city with 2 percent of existing households would also get 2 percent of the allocation of very low- and low-income RHNA units.

## Challenges and Solutions to Addressing the Increased RHNA Allocation

One of the challenges this cycle will be identifying sufficient housing sites to meet JURISDICTION’s RHNA. This is in part due to the higher RHNA, but also because of new limits on what can be counted as sites. New requirements mean there will be increased scrutiny on small (0.5 acre or less), large (10 acre or more) and redevelopment sites. Additionally, sites used in previous Housing Elements have new requirements if they are to be included again in the sites inventory.

There are, however, new tools and resources being made available by ABAG to assist local jurisdictions in addressing the increased RHNA allocations, including additional funding for the Santa Clara County Planning Collaborative to assist cities with the sites inventory and analysis, along with other parts of the housing element. In addition, ADUs can be counted based on recent trends as well as projects that are in the development pipeline.

# **Timeline and Process**

Housing Elements are written and adopted by local governments, but must be certified by HCD. While JURISDICTION’s Housing Element is due in January 2023, like all jurisdictions in the Bay Area, it is important to build in a few months extra to ensure HCD has time to conduct their required review prior to final adoption by Council. The draft timeline for the project is as follows:

**Sample Timeline**

Start process Early 2021

Develop and initiate engagement strategy Early Spring 2021

* Brief Council and/or Commission
* Kickoff Public Meeting

Complete initial research/key trends Spring 2021

Identify scale of rezoning needed Summer 2021

Begin rezoning/CEQA Fall 2021

Complete programs/policies Jan. – Feb. 2022

Complete rezoning Jan. – Feb. 2022

Complete rezoning CEQA Spring 2022

Prepare Draft plan Spring 2022

Hold public hearings May- June 2022

State HCD review July – Aug. 2022

Revise plan if needed Sept.- Oct. 2022

Hold Council adoption hearings Oct. - Nov 2022\*\*

Complete Housing Element CEQA Oct. – Nov. 2022

Submit for State certification Nov 2022

\* This schedule assumes a robust community engagement strategy that will include interim stakeholder and public meetings throughout.

\*\* This schedule builds in two months of time before the January 2023 deadline

\*\* Alternatively, jurisdictions can adopt the zoning changes at the same time they adopt their housing element.

# **Affirmatively Furthering Fair Housing**

In 2018, California adopted new requirements for jurisdictions to Affirmatively Further Fair Housing (AFFH). While it has long been illegal for cities to discriminate based on race or certain other categories, the AFFH rules go further and require that cities actively work to dismantle the legacy of segregation and to create equal housing opportunities. The State is still finalizing guidance, but cities will likely be expected to:

* Study housing demographics more thoroughly, in particular identifying how the needs and trends are different for people of color and other protected groups,
* Ensure that public engagement reaches all segments of the community,
* Plan so that new housing is not disproportionately put in low income communities of color, and
* Develop policies and programs that advance equity.

# **Environmental Justice and Safety Elements**

Adjust accordingly if you have a compliant Safety Element. Recent state legislation (SB 379, SB 1035, SB1241) has placed new requirements on how and when local jurisdictions need to update the Safety Element. This chapter of the General Plan must be updated at the same time as the Housing Element. This includes identifying the risks that are posed by climate change and wildfire.

Adjust accordingly if you are not required to do an EJ Element. Additionally, in 2016 the State Legislature passed Senate Bill 1000 (SB 1000) which requires cities and counties with disadvantaged communities to incorporate environmental justice policies into their General Plans. Because JURISDICTION has a disadvantaged community, these requirements apply. Jurisdictions can either adopt an Environmental Justice Element or have policies throughout the General Plan. This must happen at the same time as the adoption of the Housing Element. Typical topics covered include:

* Pollution Exposure and Air Quality
* Access to Public Facilities
* Food Access
* Safe and Sanitary Homes
* Promotion of Physical Activity
* Promotion of Civic Engagement
* Crime Prevention​​​
1. Some stakeholders use the start date of 2022, because some of the modeling starts in this year. Because Jurisdiction’s Housing Element will likely not be adopted until 2023, this report uses the later date. [↑](#footnote-ref-1)
2. Plan Bay Area is a regional visioning exercise that covers housing, economic development, transportation and other topics. [↑](#footnote-ref-2)
3. <https://abag.ca.gov/sites/default/files/draft_rhna_allocation_presentation_to_exec_bd_jan_21.pdf> [↑](#footnote-ref-3)