



Staff Report

CONSIDERATION OF A RESOLUTION AUTHORIZING BELMONT TO PARTICIPATE AS A MEMBER OF A COUNTYWIDE SUB-REGION IN REVIEW AND ADMINISTRATION OF ABAG'S REGIONAL HOUSING NEEDS ALLOCATION PROCESS (RHNA)

Honorable Mayor and Council Members:

Summary

The Association of Bay Area Governments (ABAG) is required by State law to administer the Regional Housing Needs Allocation (RHNA) program in the Bay Area. Changes to State law in 2004 allow ABAG to transfer administration of the program to local jurisdictions that create sub-regions. The City/County Association of Governments for San Mateo County (C/CAG) has offered to facilitate and provide staff support for the development of a RHNA sub-region for the cities and the County using existing staff and other resources. Housing allocations developed through this RHNA sub-region process would be used in the next State-required review and approval of Belmont's Housing Element in 2009. The first step in this effort is for interested jurisdictions to adopt a resolution authorizing its inclusion in a sub-region and to forward it to ABAG by August 31, 2006.

This sub-regional approach to distributing housing need allocations among member jurisdictions increases the potential for local control and flexibility in how sub-regional housing needs are addressed. The downside of participating in a sub-region is minimal as any individual member jurisdiction may opt out of the sub-region at any time and continue to receive their housing need allocations from ABAG. It is likely that city staff and (potentially elected officials) may be more directly involved in implementing the sub-regional RHNA process. However, this staff time/resource investment may result in greater control over determining Belmont's housing needs allocation process for the City's required Housing Element State certification in 2009.

Background

Regional Housing Needs Allocation (RHNA) Process

State Housing Element Law enacted in 1980 requires the Association of Bay Area Governments (ABAG) and other regional councils of government in California to determine the existing and projected regional housing needs for persons at all income levels. ABAG is also required by law to determine each jurisdiction's share of the regional housing need in the nine-county Bay Area. This process is known as the Regional Housing Needs Allocation (RHNA).

The State legislation and RHNA process are intended to address housing needs for projected state population and household growth, to create a better balance of jobs and housing in

communities, and to ensure the availability of decent affordable housing for all income groups. The California Department of Housing and Community Development (HCD) enforces State Housing Element Law by requiring certified Housing Elements as part of a community's General Plan. Belmont's Housing Element covers the planning period from 2001 to 2006.

HCD is requiring Housing Element updates that are reviewed and approved in 2009. Failure to secure a certified Housing Element from HCD can result in loss of funding for housing and redevelopment related projects and lawsuits from housing advocacy and social equity organizations.

New State Law

State law now allows cities within the County to join together to form a "sub-region", a consortium that would administer the State mandated RHNA process at the local level. The new State law allows the sub-region to receive a collective housing allocation from ABAG and then decide the methodology for dividing the housing requirements among the cities and County in the sub-region. This sub-region RHNA process could be used to establish the housing numbers for each city and the County as part of the Housing Element update for 2009.

Forming a Sub-Region

A sub-region may be comprised of two or more contiguous cities. Each member jurisdiction of a sub-region must provide a resolution to ABAG requesting authority to locally administer the program by August 31, 2006. ABAG would then adopt a resolution approving the formation of the sub-region. Approved sub-regions also must enter into an agreement with ABAG that specifies the process, timing, and other terms and conditions for administering the local housing needs determination process. ABAG will be required to assign housing allocations to local governments in the sub-region if the sub-region does not successfully negotiate a critical step or fails to complete the process.

The City/County Association of Governments (C/CAG) has indicated interest in supporting the formation of a sub-region for the RHNA process in San Mateo County if the individual cities and the County are interested. C/CAG is committed to coordinating this effort and to providing facilitation and staff support as necessary.

Discussion

Rationale for Participation

The opportunity to implement a sub-regional RHNA process within San Mateo County may increase the potential for local control. Each sub-region will be allowed to develop its own housing allocation methodology. Member jurisdictions will have significantly more input into the development of the methodology. Additionally, members of the sub-region will have the flexibility to negotiate with other member jurisdictions for adjustments to their allocations. Jurisdictions that want fewer units might offer incentives to other jurisdictions that might accept additional units. Incentives could include cash payments to help subsidize the cost of

providing services for new development or the costs of roadway and transportation improvements. It is possible for jurisdictions that want fewer units to make cash payments to the Housing Endowment and Regional Trust of San Mateo County to help build more housing in the County. This concept of "swaps" and "credits" is not allowed under State law using the current ABAG process. However, this swap/credit idea can be developed through the sub-regional delegation process.

C/CAG intends to provide staff support for this effort under their current approved budget for existing housing programs. However, city staff and elected officials are more likely to be directly involved in implementing the sub-regional RHNA process than previously under the ABAG administered RHNA process. It is expected that the return for this involvement will be greater control over the housing needs allocation process. The attached 18 step process (See Attachment B) has been developed by C/CAG as a guide for implementing a San Mateo County RHNA process.

Joining the C/CAG facilitated sub-regional RHNA process does not present a risk to Belmont as the City may opt out at any time and would then receive a housing allocation directly from ABAG. All rights to appeal allocations are preserved should this occur. Additionally the C/CAG implementation plan includes a step where a decision will be made as to whether or not to give up the sub-regional allocation effort and revert to the ABAG administered regional process (See Step 17 of C/CAG Process – Attachment B)

Timeline/Next Steps

HCD is scheduled to release the regional housing need number for the ABAG region on March 1, 2007. The sub-region would receive a housing allocation from ABAG on May 1, 2007. The sub-region then would decide how to divide up the housing allocation among its member jurisdictions and distribute draft numbers by June 30, 2007. Local jurisdictions may request revisions to their draft housing allocations. Local jurisdictions have 60 days to file an appeal to the sub-region. A public hearing must be held to hear the appeal. Between February and April of 2008, the sub-region must issue the final housing allocations. A schedule comparing the timeline for an ABAG administered vs. a sub-regional allocation process is provided (See Attachment C).

General Plan/Vision Statement

The action associated with adopting a participating resolution in relation to ABAG Sub-Regional process further the City's General Plan/Housing Element Goals as follows:

Housing Element Goal 2

“Provide residential sites through land use, zoning, and specific plan designations to encourage a broad range of housing opportunities.”

General Plan Goal 1015.4

“To maintain and enhance the appearance of the City through controlling the location, timing, design and landscaping of new development and encouraging renovation of older areas.”

Fiscal Impact

None at this time.

Public Contact

This matter was placed on the agenda and posted as required by the California Government Code.

Recommendation

Staff recommends the Council adopt the attached Resolution authorizing Belmont to become a member of a Countywide Sub-Region - an entity that would locally administer ABAG's Regional Housing Needs Allocation process (RHNA).

Alternative

1. Take no action and continue to receive housing production requirements through the Regional Housing Needs Allocation (RHNA) process administered by ABAG.

Attachments

- A. Participation Resolution
- B. San Mateo County RHNA Process Via C/CAG
- C. ABAG Comparison of Regional and Sub-Regional Allocation Process Schedules

Respectfully submitted,

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Acting City Manager

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PLEASE NOTE:

Attachments B & C are not included as part of this document – please contact the City Clerk's Office at (650) 595-7413 for further information on these attachments.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
AUTHORIZING BELMONT TO BECOME A MEMBER OF A COUNTYWIDE
SUB-REGION - AN ENTITY THAT WOULD LOCALLY ADMINISTER THE
ASSOCIATION OF BAY AREA GOVERNMENT'S (ABAG)
REGIONAL HOUSING NEEDS ALLOCATION PROCESS (RHNA)

WHEREAS, the Association of Bay Area Governments (ABAG) is required by State law to administer the Regional Housing Needs Allocation program in the Bay Area; and,

WHEREAS, ABAG has begun preliminary work on developing the program with the objective of completing the program in August 2008; and,

WHEREAS, changes to the Housing Element law in 2004 allow ABAG to transfer administration of the program to local jurisdictions who create sub-regions for the purposes of distributing housing need allocations among the members of the sub-region; and,

WHEREAS, a sub-region is defined as two or more cities in a County or any combination of geographically contiguous local governments; and,

WHEREAS, the City/County Association of Governments of San Mateo County (C/CAG) will facilitate and provide staff support for forming a sub-region in San Mateo County; and,

WHEREAS, the City of Belmont desires to become part of a sub-region in San Mateo County; and

WHEREAS, each member jurisdiction within a sub-region must adopt a resolution authorizing its inclusion in the sub-region; and

WHEREAS, adopted resolutions must be sent to ABAG by August 31, 2006; and

WHEREAS, ABAG must adopt a resolution approving the sub-region.

NOW, THEREFORE, BE IT RESOLVED by the City Council that the City of Belmont agrees to participate in the process to establish realistic housing allocations within the sub-region (cities and the County of San Mateo) for use in the next Housing Element that is due in 2009. Adoption of this resolution indicates the City Council's intention to participate in the sub-region process for San Mateo County and to designate the City/County Association of Governments of San Mateo County (C/CAG) as the official representative of the San Mateo County sub-region. This resolution is submitted to the Association of Bay Area Governments (ABAG) for inclusion in the Resolution designating the sub-region.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting held thereof held on August 8, 2006 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

RECUSED, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont

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