



Land Use & Natural Resources Committee

Meeting Date: March 5, 2020

Agenda Item No. 3

Looking Ahead: Regional Housing Needs Allocations, Housing Elements, and Housing Production

Information

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Attachments: No

1. Issue:

Following the adoption of the Regional Housing Needs Plan, SACOG will shift its focus to providing several housing-related technical assistance services to local governments to: (1) assist with Housing Element compliance; and (2) translate the zoning included in housing elements into the production of more housing for households of all incomes.

2. Recommendation:

That the committee discuss options within the control of cities and counties for reducing barriers to housing production in the region and provide direction to staff on further housing technical assistance efforts.

3. Background/Analysis:

SACOG is nearing the completion of the 2021-2029 Regional Housing Needs Allocation (RHNA) process. The SACOG board will hold a public hearing on the proposed Regional Housing Needs Plan (RHNP) and consider approving the plan at its March 19, 2020 meeting. The adoption of the RHNP formalizes the housing allocation methodology the SACOG board adopted at its November 21, 2019, meeting and will allow local governments to begin their housing element updates, which must be completed by May 31, 2021. SACOG received no appeals of the housing allocation numbers included in the RHNP from local agencies during the state required appeal period that ended January 5, 2020.

The housing element is a required component of local government's general plan that provides an analysis of a community's housing needs and strategies to respond to those housing needs. State law requires that each city and county demonstrate in its housing element how it can accommodate its RHNA. While increased housing production is a shared goal of both the state and the communities in our region, housing element compliance as defined in state law and determined by the California Department of Housing and Community Development (HCD) requires that zoning and local regulatory systems provide sufficient opportunity for, and do not unduly constrain, new housing development. Specifically, the state is seeking to ensure that restrictive zoning is not preventing housing of all types from being built. Existing law recognizes that zoning is a necessary, but not sufficient condition to achieving production and there are other factors, sometimes outside the purview of a local government, that can hinder housing production. State housing element law does not hold local governments accountable to something outside of their control. Rather, it says that local governments must adopt land-use plans and development review processes that make it possible for the non-profit and private sector to help meet housing needs and demand for all current and future residents.

Achieving housing element compliance will be a challenge for a number of local jurisdictions during this RHNA cycle. As is the case across the state, housing allocations are higher and there have been a number of changes to state law since last cycle. SACOG is committed to doing what it can to assist member agencies as they begin the housing element update process. While housing element compliance is critical, SACOG is also committed to helping local governments translate their housing elements into the ultimate goal of accelerating the production of housing at all income levels. The zoning changes required under housing element law are one piece of that puzzle, but are not the only piece. To that end, SACOG will continue to engage with local agency staff, elected officials, and the development and housing construction industry in a variety of efforts to bridge the gap between housing planning and housing production.

4. Discussion/Analysis:

Meeting the Region's RHNA Obligations

SACOG staff and local government housing planners are working together to identify ways SACOG can assist local agencies in developing their housing elements. SACOG hosts housing planning meetings about every two months to provide a forum for sharing information and input on services local agencies would like from SACOG. Based on these regular consultations, SACOG is providing the following for member agencies:

- a robust housing element data package that includes most data local governments are required provide as part of the housing element;
- information that member agencies can draw from for use in housing elements, including sample requests for proposals/qualifications for housing element consultants, inclusionary housing ordinances, accessory dwelling unit (ADU) regulatory documents, and fees;
- a regional ADU affordability analysis that will allow jurisdictions to confidently make income category assumptions for projected ADU construction to count towards their RHNA;
- a preliminary inventory of potentially vacant and underutilized sites that can act as a starting point for use in a housing element sites inventory; and
- facilitating meetings or dialogue between jurisdictions and HCD staff as well as engaging with HCD on behalf of local agencies as the department determines how they will be interpreting changes to state law relating to local sites inventories.

Connecting Regulatory and Zoning Changes to Housing Production

Staff has heard from local agency staff and the board that more help is needed to achieve the housing goals of the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy and the state, as demonstrated by the increase in housing numbers in the latest RHNA cycle.

Several board workshops in 2019 offered local actions that can have meaningful impact on housing production in our communities. These workshops topics included:

- real world strategies for making infill development pencil in suburban communities,
- revitalizing aging suburban corridors, and
- increasing the diversity of housing options available in all our neighborhoods.

Most of these strategies are examined in detail in the Housing Policy Toolkit released by SACOG last year. The toolkit offers a detailed menu of 19 policy options organized into four categories, all within the discretion of local governments: (1) zoning; (2) Accessory Dwelling Unit ordinances; (3) development review processes; and (4) fees. The strategies in the toolkit are based on successful actions already taken by some local agencies in the region and across the state. Attachment A lists each of the strategies discussed in the toolkit.

While the policy options described in the Housing Policy Toolkit are an important part of the solution, more thought and help are needed to identify creative, practical solutions to increasing housing production in the region. A new initiative led by SACOG Director David Sander, the Commercial Corridor Task Force, and made up of members of the SACOG board and private sector representatives, is one forum for public and private sector stakeholders to discuss opportunities and challenges to revitalize commercial corridors in urban, suburban, and rural communities including removing barriers to housing production. SACOG's Green Means Go program seeks to make the state a partner in providing funding to overcome some of our greatest obstacles to infill development, affordable housing, and greenhouse gas reduction. In addition to these efforts, SACOG is working on several other fronts including:

- grant tracking and technical assistance to improve the region's success in state and federal grant programs for affordable housing and housing-related infrastructure;
- engagement with state lawmakers and legislative tracking to ensure new programs and laws consider the Sacramento region's unique challenges;
- use of state funding allocated to SACOG through the Regional Early Action Planning (REAP) program to fund functional planning solutions that deliver new housing; and
- coordination with HCD on ADU ordinance text that local governments can use to facilitate the production of ADUs.

It's imperative that the combined efforts of local jurisdictions and SACOG contribute to tackling some of the biggest challenges facing the production of housing that is affordable and accessible to our region's residents.

Staff is seeking a deeper discussion and direction from the committee on how best to make meaningful progress on our collective housing production issues and provide policy makers the information they need to implement solutions that work for their communities.

5. Fiscal Impact/Grant Information:

These projects are funded with a combination of SACOG's federal and state planning funds in the adopted Fiscal Year 2019-2020 Overall Work Program and budget.

6. This staff report aligns with the following SACOG Work Plan Objectives:

Goal 3 : Vibrant Places

Objective 2: Identify incentives and help remove barriers to infill and affordable housing in cities, suburbs, and towns throughout the region.