



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: June 22, 2021

Subject: Appeal of County's Regional Housing Needs Allocation

RECOMMENDATION(S):

AUTHORIZE the Director of the Department of Conservation and Development to file an appeal with the Association of Bay Area Governments on the number of housing units allocated to the unincorporated area through the Regional Housing Needs Allocation process.

FISCAL IMPACT:

No fiscal impact.

BACKGROUND:

The state of California requires all cities and counties to plan for the housing needs of residents, in part by establishing the Regional Housing Needs Allocation, or RHNA. As part of RHNA, the California Department of Housing and Community Development (HCD) determines the total number of new homes the Bay Area needs to build—and how affordable those homes need to be—in order to meet housing needs. The Association of Bay Area Governments (ABAG) then distributes a share of the region's housing need to each city and county in the region. Each local government must then update the Housing Element of its general plan to show the locations where housing can be built and the policies and

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **06/22/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor

Candace Andersen, District II
Supervisor

Diane Burgis, District III
Supervisor

Karen Mitchoff, District IV
Supervisor

Federal D. Glover, District V
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 22, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: Wendy Mascitto, Deputy

Contact: John Kopchik 925
655-2780

cc:

strategies necessary to meet the community's housing needs. ABAG conducts the RHNA process every eight years as required by state law. The last completed allocation cycle is for the period of 2015 to 2023.

BACKGROUND: (CONT'D)

On May 20, 2021, ABAG approved the Final Regional Housing Needs Allocation (RHNA) Methodology and Draft Allocations for 2023 to 2031. The total draft allocation for the unincorporated area of Contra Costa County is 7,645 new housing units (Draft Allocation). Of this amount, 2,082 are for very low income, 1,199 are for low income, 1,217 are for moderate income and 3,147 are for above moderate income. By July 9, 2021, a local jurisdiction or HCD can submit an appeal to ABAG requesting a change to any Bay Area jurisdiction's allocation. ABAG will conduct public hearings to consider appeals received in September and/or October and in late 2021 will adopt Final Allocations, taking into consideration the results of the appeals process. Housing Element updates from all cities and counties addressing the final RHNA are due to HCD in January 2023.

Staff note the following concerns with the Draft Allocation for the unincorporated area of Contra Costa County:

- The Draft Allocation is 5.59 times as high as the County's allocation for the prior period (which was 1,367). As of the end of 2020, the County had issued building permits for 1881 new housing units. While we have met the overall allocation for the 2015-2023 period, we have so far met only 16% of the allocation for very low income, 84% of the allocation for low income, and 53% of the allocation for moderate income. Staff is concerned that an allocation that is 5.59 times higher than our current allocation and 4.06 times higher than what we have produced so far is a significant change and is likely not achievable.
- The increase in the County's Allocation from the prior cycle is larger than the increase for the Bay Area as whole (5.59 times higher for the County versus 2.35 times higher for the region as a whole). In the view of staff, the amount of the increase relative to the region as a whole may not be equitable. Below are some comparisons that provide perspective on the magnitude of the County's Allocation. The County's Draft Allocation is almost 2,000 units higher than the largest allocation for any city in the County. The County's Allocation is the second highest allocation for a county in the Bay Area (only San Francisco is higher) and is the 9th highest allocation among the 110 jurisdictions in the Bay Area.
- ABAG published its proposed allocation methodology and an earlier draft list of allocation amounts in October of 2020 and at that time assigned Contra Costa County 5,827 units. There was a public comment period through November 2020, on the allocation methodology and allocations. The Contra Costa County Mayor's conference submitted a comment letter urging a different approach be used to allocate units, an approach that would have reduced the total allocation to jurisdictions in the County overall as well as the allocation to the unincorporated area (that recommended change would have resulted in 2,588 units being allocated to the unincorporated area). In December of 2020, ABAG revised its allocations and the allocation to the unincorporated County increased by almost 2000 units (to an allocation that was then in excess of 7700 units). County staff sought an explanation for the increase and met with an ABAG representative but received only a general explanation that increased County's staff concern that the change may have been an error.
- Based on review to date, staff is concerned there may have been errors in the application of the approved methodology to the calculation of the County's allocation.
- In addition to limiting the County's flexibility to craft a Housing Element that meets the many needs of the community, an unrealistic, overly high Allocation will make it very hard for the County to achieve its assigned goal, cause the County to lose discretion to approve or deny certain types of project proposals and compromise the County's ability to compete for certain types of grants.

For these reasons, staff recommends the Board authorize the Conservation and Development Director to file an appeal with ABAG.

CONSEQUENCE OF NEGATIVE ACTION:

The Department would not file the appeal and ABAG would not be asked to consider whether a lower housing allocation for the County is more appropriate.