

Housing Element Committee Meeting

July 15, 2013, 3:00p – 4:30p

Mountain View City Hall

Assemblyman Rich Gordon introduced Lynn Jacobs, former Director for the State of California's Department of Housing and Community Development (HCD).

Lynn Jacobs' opening remarks started with a quick background on housing elements. In housing element law you have to plan for housing to meet the projected need for housing. Therefore, housing elements are planning documents, not production documents. The RHNA numbers generated for each city are based on projections upon projections, not on real numbers. In fact, the projections tend to be higher than what actually has occurred. Here's how it works: The Department of Finance comes up with some numbers. Then HCD convenes a roundtable of economists from around the state and they eventually approve the numbers. The Department of Finance and HCD hire different economists to do the projections and get the numbers...even they aren't on the same page! Then the numbers go to the local Council of Governments (COG), in our case, ABAG. ABAG agrees to the number from the Department of Finance —most recently it was 187,000-- and then divides the number up among its jurisdictions in the 9-county region.

Lynn noted that each COG can appeal for a change their overall allocation. State law says you can reduce your RHNA number by 3% with no repercussions. In the negotiations with ABAG, counties should insist that ABAG make sure that the number they are given matches their actual growth numbers. Twenty years ago, legislation was passed that required housing elements to be reviewed every five years. Prior to this legislation, housing elements were not reviewed this often. However, the change has not been effective in producing affordable housing and in fact the situation has worsened. Additionally, too much staff time and taxpayer money is being spent on working on cities' respective housing elements to accommodate their RHNA allocations.

Lynn explained that today there are many new laws and sustainability guidelines to comply with, such as SB 375. She suggested that housing elements should only have to be revised every twenty years. If this were the case, there would be more time available for implementation. A longer period would allow cities time to execute their plans and see if the plans work. Currently, the process allows for new/changing laws before certified element have had a chance to run their course, resulting in a moving target.

Lynn went on to say that because of all the problems detailed above, many jurisdictions throughout the state are currently looking at housing element reform. However, housing advocacy groups claim that they need the law as currently written to force cities to plan for and possibly build affordable housing. A better strategy would be to address housing on a regional level and coordinate all planning through SB375. In order to make housing work, you also need transportation, infrastructure, jobs, etc. It's a holistic system. Too, if you want to build affordable housing, you have to have the money available to build the units, but the state housing bond money is almost gone and redevelopment funds for housing have been eliminated. Effectively, it is the financing that spells the success or failure of producing affordable housing.

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Assemblyman Gordon commented that if we took the money we are spending on dealing with housing elements and fighting lawsuits then perhaps we could actually build some housing.

Val Carpenter, City of Los Altos, noted that PLAN Bay Area has no requirement to build schools and she asked where will the workforce kids go to school if this is not accounted for in the plan.

Lynn pointed the group to the Strategic Growth Council which is a new state group supervising the implementation of the Sustainable Communities Strategies (SCS). Right now they have an RFP out for planning grants. Apply for it! However, zoning is a local police power, so this is yet another disconnect between what the state mandates and what can be realistically done.

Lynn also recommended that elected officials actively work with the League of California Cities and ABAG on the issue. Too, the California COGs should convene a 2-day meeting for elected officials and staff to talk about housing elements. Local governments throughout the state are spending time and energy on this topic without results. Reform is needed. One COG to check out is SCAG in Southern California. They represent half the population in the state and they are very organized. For example, they just formed a working group to talk about housing element reform. You simply can't thumb your nose at the regional stuff anymore because things like this--housing elements--are actually being enforced now which was not always the case in the past. Get the League of California Cities involved in the discussion. The way the law is currently written, affordability is defined by density. Yet this is not the case in the real world. Also, cities should be allowed to self-certify their housing elements, especially the inventory of sites. This shouldn't be a negotiation.

Lynn went on to say that Senate President Pro Tem Steinberg is working on legislation to allow cities and counties to invest in affordable housing and the development of sustainable communities, and this is the time for all regional and local governments to work with Steinberg as these changes are getting codified. Housing element reform needs to be a bottom-up reform. SCAG is a great model. They have local government representation and business on board which makes their plan much more to the liking of local government. It is important to have someone from every city council involved with ABAG. You have to keep calling them on the carpet. Say, "I don't know where you got these numbers." Show them your actual population growth (or decline).

She recommended that cities send their concerns to Claudia Cappio, who is the current Executive Director of the California Housing Finance Agency. Another important person to copy on your correspondence is Anna Caballero from Salinas. As of July 1, she is the Secretary of the Business, Consumer Services and Housing Agency.

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Dave Burrow, Town of Woodside, inquired as to why isn't the state focusing more on the financing side rather than the planning side? Assemblyman Gordon commented that he is co-authoring a bill that would levy a fee on recording documents at the county-level with the proceeds to be used for affordable housing purposes. As you probably know, in California there is no dedicated, permanent funding source for affordable housing.

When asked for tips on obtaining a certified housing element in the next cycle, Lynn recommended that cities make it as simple as possible. Find out what staff has been assigned to your housing element. Make friends with them. Establish a personal relationship. Go to the HCD website and see which consultants prepared the plans were approved on the first round.

Assemblyman Gordon thanked Lynn for visiting with the committee today. He announced that the group will meet again in late September/October when the legislative session is over.

Notes prepared by: Maryann Moise Derwin

Attendees: Assemblyman Rich Gordon, Lynn Jacobs, Los Altos Hills Councilmember John Harpootlian, Los Altos Hills Planner Brian Froelich, Palo Alto Mayor Greg Scharff, Atherton Mayor Elizabeth Lewis, Menlo Park Mayor Peter Ohtaki, Los Altos City Councilmember Val Carpenter, Woodside Vice Mayor Dave Burrow, Woodside City Manager Kevin Bryant, Half Moon Bay Mayor Rick Kowalczyk, Portola Valley Councilmember Maryann Moise Derwin, Portola Valley Town Manager Nick Pegueros, San Mateo County Community Development Staff member Jim Eggemeyer, Assembly Gordon's District Director Jeremy Dennis, Intern Hadar Sachs.