

MEMORANDUM

DATE:

August 23, 2010

TO:

Housing Element Committee (HEC)

FROM:

Lilly Schinsing, Associate Planner

SUBJECT:

Progress on Achieving Regional Housing Needs Allocation (RHNA)

1999-2006 and 2007-2014 RHNA

State housing element law focuses on both the production and geographic distribution of new housing units, and requires that each municipality strives to meet their "fair share" of the regional need for low- and moderate-income housing. The fair share regional allocation process begins with the California Department of Housing and Community Development (HCD) assigning of projected housing needs to each region using state Department of Finance household growth projections. Each region's council of governments (Association of Bay Area Governments, or ABAG) then prepares a Regional Housing Needs Allocation (RHNA) that specifies the number of housing units each municipality must plan to provide for during a specific planning period. These allocations are based on such factors as market demand for housing, employment opportunities, availability of suitable sites, availability of services, commuting patterns, type and tenure of housing need, and special needs housing.

The current planning period is 2007-2014 and the City's existing Housing Element was last certified in 1995. As Sausalito does not have a Housing Element which was certified by HCD during the prior planning period (i.e., the 1996-2006 planning period), the City must also carryover the number of housing units which were required to be planned for during the prior period.

In the 1999-2006 planning period, Sausalito's RHNA was 207 units. In the current 2007-2014 planning period, the City's RHNA is 165 units. These allocations are based on such factors as market demand for housing, employment opportunities, availability of suitable sites, availability of services, commuting patterns, type and tenure of housing need, and special needs housing.

The following table illustrates the RHNA for the current planning period and the past planning period:

ABAG RHNA ALLOCATIONS— 1999-2006 and 2007-2014 Planning Cycles

			9 ,		
Planning Period	Very Low 50% or Less of County Median Income	Low 51-80% of County Median Income	Moderate 81-120% of County Median Income	Above Moderate 121% + of County Median Income	Total:
1999-2006	36	17	50	104	207
2007-2014	45	30	34	56	165
Total:	81	47	84	160	372

Ifem 7 (3 PAGE) To: Housing Element Committee

Date: August 23, 2010

Re: Progress on Achieving Regional Housing Needs Allocation (RHNA)

Page: 2 of 3

Crediting the RHNA

State Housing Law allows for a jurisdiction to take credit for units approved, constructed or under construction between the base year of the RHNA period and the beginning of the new planning period.

Constructed or under construction: Units which have been issued building permits on or after January 1 of the year falling two years prior to the due date of the jurisdiction's housing element may be credited against the RHNA to determine the balance of site capacity that must be identified. For example, for housing elements due June 30, 2008, units for which permits were issued on or after January 1, 2006 may be credited against the RHNA.

To credit units affordable to lower- and moderate-income households against the RHNA, a jurisdiction must demonstrate the units are affordable based on at least one of the following:

- subsidies, financing or other mechanisms that ensure affordability (e.g., MHP, HOME, or LIHTC financed projects, inclusionary units or RDA requirements);
- actual rents; and
- actual sales prices.
- > Approved, but not yet constructed: For projects approved but not yet built, the jurisdiction must demonstrate the units can be built within the remaining planning period and demonstrate affordability to very low- or low-income households.

Preliminary analysis on the number of new units constructed, under construction and approved has been conducted by comparing Planning Commission approved Design Review Permits to issued and finaled Building Permits. From 1999-2006, 22 new very low income units were constructed and 11 new above moderate income units were constructed (no units in the low or moderate income categories were constructed). From 2007 to the present, 21 new above moderate units have been constructed, are under construction or have been approved and one moderate unit has been approved (no units in the very low, low or moderate income categories have been constructed, are under construction or have been approved in the current planning period). The following table illustrates the number of units in both planning periods which can be credited to the RHNA:

Number of Units Constructed, Under Construction or Approved (1999-present)

RHNA Category:	Very Low	Low	Moderate	Above Moderate	Total
Units Built 1999-2006	22	0	0	11	33
Units Constructed, Under Construction or Approved 2007-present	0	0	1	21	22

To: Housing Element Committee

Date: August 23, 2010

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Page: 3 of 3

Accessory Dwelling Units: As described in the draft June 2010 Draft Accessory Dwelling Units Background Report, Staff has determined that there are a total of 18 unpermitted accessory dwelling units in the City that can be applied to the City's RHNA if an amnesty program is identified in the updated Housing Element to legally permit the units. Based on the methodology described in the Background Report, the following table illustrates the number of unpermitted accessory dwelling units which can be credited to the RHNA:

Number of Unpermitted Accessory Dwelling Units

RHNA Category:	Very Low	Low	Moderate	Above Moderate	Total
Unpermitted ADUs	10	7	1	0	18

Summary

From the information in this memo, Staff has concluded that the RHNA can be credited as shown in the following tables for each planning period:

1999-2006 RHNA and Credits

RHNA Category:	Very Low	Low	Moderate	Above Moderate	Total
Assigned					
1999-2006 RHNA					
	36	17	50	104	207
Built 1999-2006					
	22	0	0	11	33
Revised 1999-2006 RHNA	14	17	50	93	174

2007-2014 RHNA and Credits

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RHNA Category:	Very Low	Low	Moderate	Above Moderate	Total
Assigned 2007-2014 RHNA	45	30	34	56	165
Built or Approved 2007-present**	0	0	0	22	22
Identified Unpermitted ADUs	10	7	1	0	18
Revised 2007-2014 RHNA	35	23	33	34	125

Combined RHNA after Credits

RHNA Category:	Very Low	Low	Moderate	Above Moderate	Total
Revised 1999-2006					
RHNA	14	17	50	93	174
Revised 2007-2014					
RHNA	35	23	33	34	125
Revised Total RHNA:	49	40	83	127	299

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Housing Element Update Progress Chart

Updated: August 19, 2010

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			Task	X ₂	Percent Completed 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
		I. Goals, Policies and Programs	and Programs		
		II. Introduction		3.00	
		III. Housing Needs	18		
			Housing Constraints	ints	
			Energy Conservation	ation	
			APRILATE CONTRACTOR	Site Inventory	
		IV. Housing		Liveaboards	
		Opportunities	Housing Opportunities	Accessory Dwelling Units	
	Mork			Apartment Conversions	
	<u> </u>			Mixed Use Units	
			Analysis of Regiv	Analysis of Regional Housing Needs Allocation	
		Appendix: Evalua	Appendix: Evaluation of Previous Housing Element	lousing Element	
		CEQA Environmental Review	ental Review		
		Public Workshop	#1: Housing Neec	Public Workshop #1: Housing Needs and Housing Constraints	
		Public Workshop	Public Workshop #2: Housing Opportunities	ortunities	
		Public Workshop	Public Workshop #3: Goals, Policies and Programs	s and Programs	
		Completed Draft	Completed Draft Housing Element	nt	
	PC and (PC and CC Public Hearings on draft Element	ys on draft Eleme	ant	
	Draft Ele	Draft Element sent to HCD for 60-Day review	J for 60-Day revie	We	
	Draft Ele	Draft Element Revised per HCD comments	r HCD comments		
anguar de la constant	PC and (C Public Hearing	ys on revised Ele	PC and CC Public Hearings on revised Element; Adoption of Element	
	Adopted	Adopted Element sent to HCD for certificati	HCD for certificat	tion (90-Day review)	
m 8 HE)	HEC: Hous HCD: Calift SEQA: Call	HEC: Housing Element Committee HCD: California Department of Housing and Community Development CEQA: California Environmental Quality Act	e vusing and Community Quality Act	. Development	
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