



TO: MTC Planning Committee, ABAG Administrative
Committee

DATE: December 7, 2012

FR: Executive Director, MTC
Executive Director, ABAG

RE: HCD Certification Requirement for OBAG—Extension Requests

Background

To receive funding for Cycle 2 of the OneBayArea Grant (OBAG) Program, MTC Resolution No. 4035 requires that a jurisdiction's housing element for the 2007-2014 Regional Housing Need Allocation (RHNA) cycle must be certified by the California Department of Housing and Community Development (HCD) by January 31, 2013. Per the OBAG policy, if a jurisdiction cannot meet this deadline, it can request the Joint MTC Planning Committee/ABAG Administration Committee for a one-year extension to January 31, 2014 to complete the certification process and obtain HCD certification of its housing element. HCD certification, however, remains a condition for the jurisdiction to receive OBAG funds. The extension process is described in more detail in the memo sent to all Congestion Management Agencies (CMAs) and affected jurisdictions (Attachment A).

Extension Requests

ABAG staff has been working on an ongoing basis with HCD and local jurisdictions to coordinate and facilitate HCD certification of housing elements in our region. However, as of December 7, 2012 there are 19 jurisdictions that have not obtained HCD certification. Of these, seventeen have requested an extension by the November 1, 2012 deadline. The status of these certifications is provided in Attachment B. Nearly all of the 19 jurisdictions anticipate having a certified housing element by June 2013. The rest have indicated that they will meet the January 31, 2014 deadline. Looking back to the prior 1999-2006 Regional Housing Need Allocation cycle, seven of the nineteen jurisdictions out of compliance for the 2007-2014 cycle also did not have certified housing elements as of December 2008.

The adopted OBAG fund programming policy states that a jurisdiction must submit its housing element to HCD "on a timely basis for review" in order to be granted an extension. Three jurisdictions (Albany, Mill Valley, and Millbrae) have not yet sent a draft of their housing element to HCD for review. However, in their extension requests, all three jurisdictions have indicated that they would complete this step by December 31, 2012.

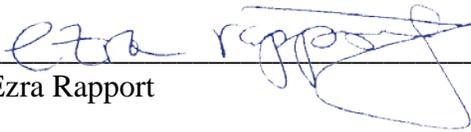
Next Steps

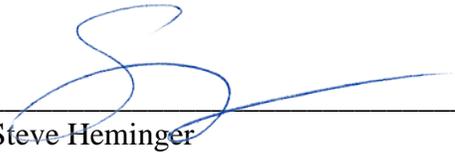
ABAG staff will continue to monitor local jurisdictions' progress in obtaining HCD certification and provide assistance when needed.

By June 30, 2013, along with submission of their OBAG documentation and the project lists, each Congestion Management Agency (CMA) must indicate whether any funding is to be held in reserve for a project in a jurisdiction that does not have a certified housing element at that time but has adopted a board resolution that commits resources to complete its housing element update by January 31, 2014.

Recommended Action

Approve the requests received from the 19 jurisdictions shown in Attachment B for an extension until January 31, 2014 to obtain housing element certification from HCD.


Ezra Rapport


Steve Heminger



Date: October 9, 2012
To: Congestion Management Agencies and Affected Jurisdictions
From: ABAG/MTC
Subject: HCD Certification Requirement for OBAG—Appeal Process

Background

As a condition for funding the OneBayArea Grant (OBAG) Program requires that jurisdictions have their housing elements certified by the California Department of Housing and Community Development (HCD) by January 31, 2013. If a jurisdiction proposes a project within the boundaries of another, such as a county sponsored project in a city, the jurisdiction where the project is located must have an HCD certified housing element to receive OBAG funds.

Currently, 22 jurisdictions are out of compliance with HCD (Appendix A). These jurisdictions can be grouped by date as follows:

- HCD certification in progress with estimated completion in 2012 (11 jurisdictions);
- HCD certification in progress but likely delayed until 2013 (four jurisdictions);
- No estimate for HCD certification due to resource constraints, pending lawsuit, or other (eight jurisdictions).

Appeal Process

As a result we are providing an appeal process for those jurisdictions that need additional time to adopt an HCD certified housing element. HCD certification however, remains a condition for receiving OBAG funds.

- For jurisdictions that expect to remain out of compliance with HCD by January 31, 2013, but anticipate completion prior to January 31, 2014, we will approve a one-year extension.
- Jurisdictions may also meet the HCD compliance rule through advance certification of the new 2014-22 RHNA series by the same date, January 31, 2014, or roughly 10 months early.

Jurisdictions granted an extension will not be able to access OBAG funds until they achieve full HCD certification. Furthermore:

- Jurisdictions are not allowed to receive OBAG funds in the TIP until certification is completed.

- Only after the jurisdiction has received HCD certification may a CMA request that MTC program OBAG funding to a jurisdiction through a Transportation Improvement Plan (TIP) amendment.
- If a jurisdiction fails to meet these deadlines, a CMA will remove funding held in reserve and move it to another project that meets OBAG policies and regional delivery deadlines.

Next Steps

- By November 1, 2012, jurisdictions need to request an extension and state which approach they will follow along with a preliminary schedule to ABAG/MTC staff. The extension must be requested by the City Manager, City Council, County Administrator or board action. A jurisdiction is to submit its request and/or resolution to its county congestion management agency and to ABAG staff, Gillian Adams.
- For the December 2012 joint ABAG/MTC planning meeting, staff will prepare a status report for all non-compliant jurisdictions and request that extensions be provided through a global action.
- By June 30, 2013, along with OBAG documentation and the project list, the CMA is to indicate if any funding is to be held in reserve for a project in a jurisdiction out of compliance and provide a board resolution adopted by the jurisdiction regarding its housing element. This resolution will commit resources to a housing element update including the approach and timely schedule for meeting the extended deadline.

For further information, please contact Gillian Adams, ABAG Staff, at (510) 464-7911.

Appendix A**Housing Elements Not in Compliance with HCD**

Estimated HCD Compliance Date	County	City
2012	Alameda	Pleasanton
2012	Contra Costa	Orinda
2012	Contra Costa	Richmond
2012	Marin	Fairfax
2012	Marin	San Anselmo
2012	Marin	Sausalito
2012	Marin	Marin County
2012	San Mateo	Colma
2012	Santa Clara	Palo Alto
2012	Santa Clara	Santa Clara
2012	Solano	Benicia
2013	Alameda	Albany
2013	Marin	Mill Valley
2013	Marin	Novato
2013	San Mateo	Pacifica
2013	San Mateo	Daly City
2013	San Mateo	Menlo Park
2013	San Mateo	Millbrae
2013	Santa Clara	Gilroy
No estimate	Sonoma	Cotati
No estimate	Contra Costa	Hercules
No estimate	Napa County	Napa County
No estimate	Santa Clara	Gilroy

Appendix B

Bay Area Housing Elements Not in Compliance with HCD

County	City	Last correspondance with HCD	OBAG Extension requested?	RHNA Cycle	Expected Completion	1999-2006 Cycle Compliance as of 12/31/2008	Additional details about HCD Review
Alameda	Albany		Yes	2007-2014	May 2013	Out	
Contra Costa	Hercules	11/15/2010	Yes	2007-2014	June 2013	In	
Contra Costa	Orinda	12/3/2010	Yes	2007-2014	April 2013	Out	
Contra Costa	Richmond	11/5/2012	Yes	2007-2014	Jan. 2013	Inn	In compliance pending adoption & submittal to HCD
Marin	Fairfax	9/14/2012	Yes	2007-2014	June 2013	Out	In Review by HCD
Marin	Marin County	9/7/2012	Yes	2007-2014	June 2013	In	In compliance pending adoption & submittal to HCD
Marin	Mill Valley		Yes	2007-2014	July 2013	In	
Marin	Novato	10/25/2012	Yes	2007-2014	Jan. 2014	In	In Review by HCD
Marin	San Anselmo	4/27/2012	Yes	2007-2014	Nov. 2012	In	In compliance pending adoption & submittal to HCD
Napa County	Napa County	9/25/2009	Yes	2007-2014		In	Appeals Court decision expected mid-2013
San Mateo	Daly City	5/19/2011	Yes	2007-2014	Apr. 2013	In	In compliance pending adoption & submittal to HCD of various programs
San Mateo	Menlo Park		Yes	1999-2006, 2007-2014	July 2013	Out	In Review by HCD
San Mateo	Millbrae		Yes	2007-2014	June 2013	Out	
San Mateo	Pacifica	6/26/2012	Yes	2007-2014	Nov. 2012	Out	In compliance pending adoption & submittal to HCD
Santa Clara	Gilroy	9/13/2011	Yes	2007-2014	June 2013	Out	In compliance once rezoning adopted (AB1233)
Santa Clara	Palo Alto	10/18/2012	Yes	2007-2014	June 2013	Out	
Santa Clara	Santa Clara	11/20/2012	Yes	2007-2014	Jan. 2013	In	In compliance pending adoption and submittal to HCD
Solano	Benicia	9/14/2012				In	In compliance pending adoption and submittal to HCD
Sonoma	Cotati	10/19/2012				In	In compliance pending adoption & submittal to HCD