

Plan BayArea

TO: MTC Planning Committee, ABAG Administrative Committee

DATE: January 3, 2014

FR: Deputy Executive Director, Policy, MTC
Deputy Executive Director, ABAG

RE: HCD Certification Requirement for OBAG—Update

Background

The One Bay Area Grant (OBAG) Program, adopted by the Commission in May 2012 (MTC Resolution No. 4035, Revised) was developed as a new funding approach that integrates the region's transportation investments with local land-use and housing policies. The OBAG funding formula is designed to specifically support jurisdictions taking on significant housing allocations through the Regional Housing Needs Allocation (RHNA) process in relation to Plan Bay Area. To receive funding for Cycle 2 of the OBAG Program, MTC Resolution No. 4035 requires jurisdictional housing elements for the 2007-2014 Regional Housing Need Allocation (RHNA) cycle to be certified by the California Department of Housing and Community Development (HCD) by January 31, 2013. Jurisdictions unable to meet this deadline were given the opportunity to request a one-year extension to January 31, 2014. HCD certification, however, remains a condition for the jurisdiction to receive OBAG funds.

Extension Requests

The HCD certification requirement has now been met by 106 of 109 Bay Area jurisdictions. When MTC Resolution No. 4035 was adopted in May 2012, 28 jurisdictions did not have a certified housing element. Of these, nineteen jurisdictions requested an extension of the OBAG deadline. Note that seven of the nineteen jurisdictions seeking an extension for the 2007-2014 cycle had been out of compliance for the prior 1999-2006 Regional Housing Need Allocation (RHNA) cycle as well. Of these, six now have certified housing elements, suggesting that the OBAG housing element requirement is having an impact at the local level relative to planning for more housing.

Current Certification Status

Of the 19 jurisdictions that requested an extension through January 2014, three are still awaiting HCD certification of their 2007-2014 housing element (see Attachment A). Per the OBAG policy, if a jurisdiction fails to meet the January 31, 2014 deadline to obtain housing element certification, their respective Congestion Management Agency will remove funding held in reserve for that jurisdiction and move it to another project in a jurisdiction that meets OBAG policies and regional delivery deadlines. Of the three jurisdictions that have not yet received certification, HCD staff has indicated that Albany and Novato have submitted elements that are currently being reviewed. Napa County's housing element was submitted in 2009 and found to be out of compliance by HCD. It was also subject to a lawsuit in which Napa County prevailed at the lower court and on appeal.

Napa County staff and elected officials met with MTC and ABAG staff in October 2012 to discuss the lawsuit and related circumstances pertaining to Napa County's housing element. At the meeting representatives of Napa County indicated that they believed the appeals process related to the County's housing element made it unlikely that the County would complete the HCD certification process prior to the specified OBAG deadline of 01/31/14. At the meeting MTC staff indicated that they would recommend that the Commission make an exception to the current OBAG requirements and allow the County to be eligible for OBAG funding if the Appeals Court upheld the lower court decision with regard to the adequacy of the County's Housing Element prior to the one year extension deadline. HCD staff has indicated that they are consulting with Napa County regarding certification of the county's housing element and expect to have information regarding the certification status of Napa County's housing element in the near future.

ABAG and MTC staff will continue to monitor local jurisdictions' progress in obtaining HCD certification and provide assistance when needed. At your meeting on January 10, staff will provide an update on the status of HCD certification based upon the most current available information. MTC staff will provide an update on jurisdictions' housing element certification status and any related recommendation related to OBAG funding eligibility to the MTC Programming and Allocations Committee on February 12, 2014.

Next Steps

In February, MTC and ABAG staff will present a summary of OBAG outcomes to the MTC Planning Committee/ABAG Administrative Committee and the MTC Programming and Allocations Committee. Discussion of the summary will help to inform the next OBAG funding cycle. The 2014-2022 RHNA was adopted by the ABAG Executive Board on July 18, 2013. Bay Area jurisdictions have until January 31, 2015 to have their revised housing elements for this period certified by HCD. Several jurisdictions have already submitted their draft housing elements to HCD for review.



Ann Flemer



Brad Paul

Appendix A

Bay Area Housing Elements: Status of HCD Certification – Jurisdictions with Extension to January 2014

County	City	Current Status	Additional details about HCD Review
Alameda	Albany	In Review by HCD	Draft Housing Element in review by HCD (submitted 10/28/2013)
Contra Costa	Hercules	Certified	
Contra Costa	Orinda	Certified	Certified on 12/20/2013
Contra Costa	Richmond	Certified	
Marin	Fairfax	Certified	
Marin	Marin County	Certified	Certified on 12/31/2013
Marin	Mill Valley	Certified	
Marin	Novato	In review by HCD	Draft Housing Element in review by HCD (submitted 12/6/2013)
Marin	San Anselmo	Certified	
Napa County	Napa County	Submitted to HCD	Adopted Housing Element submitted to HCD in 2009; deemed out of compliance
San Mateo	Daly City	Certified	
San Mateo	Menlo Park	Certified	
San Mateo	Millbrae	Certified	
San Mateo	Pacifica	Certified	
Santa Clara	Gilroy	Certified	
Santa Clara	Palo Alto	Certified	
Santa Clara	Santa Clara	Certified	
Solano	Benicia	Certified	
Sonoma	Cotati	Certified	