



October 24, 2022

Gillian Adams, Principal Planner
Association of Bay Area Governments (ABAG) Executive Board
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

RE: Request for RHNA Transfer per California Government Code Section 65584.07

Dear Gillian,

Sonoma County thanks ABAG for the resources it is providing to its member jurisdictions as we plan to accommodate the housing allocated to us by the *Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031*. We are writing today to request ABAG's approval of RHNA transfers between the County and the City of Cloverdale pursuant to Government Code Section 65584.07.

As ABAG staff and board members are aware, Section 65584.07 states that a council of governments shall reduce the RHNA of unincorporated counties if one or more cities within the county agree to increase their shares by an equivalent amount. These RHNA "transfers" are to occur between adoption of the final RHNA (in this case December 2021) and the due date of the housing element (in this case January 31, 2023) and were called out specifically in ABAG's staff reports on appeals submitted by unincorporated counties (Contra Costa, Sonoma, Marin, and Santa Clara) as a way to address concerns about accommodating RHNA in a way that fosters efficient infill and protection of agricultural and environmental resources.

Sonoma County and cities within the county have long shared a commitment to urban-centered growth and agricultural preservation. With this letter and attachments, the County is providing specifics of the requested transfer, which is based on a signed agreement between the County and the City of Cloverdale. We also explain the factors and circumstances justifying the transfer and provide supporting documentation. Although not required by the statute, we have also included a discussion of the RHNA objectives in Government Code Section 65584(d).

We welcome an opportunity to discuss any questions you have regarding our request, the transfer, or the information and analysis provided with this letter, and invite you to contact me at tennis.wick@sonoma-county.org. As noted in Section 65584.07(b)(1), the County and the City will need to use the RHNA as revised by the transfers to complete our respective housing element updates, and we therefore feel some urgency to conclude this step in the process.

Respectfully,

A handwritten signature in black ink, appearing to read "Tennis Wick".

Digitally signed by Scott Orr
DN: cn=Scott Orr, o, ou=Acting Director for
Tennis Wick, email=Scott.Orr@sonoma-
county.org, c=US
Date: 2022.10.25 15:52:53 -07'00'

Tennis Wick, AICP
Director



Request for RHNA Transfer Between Sonoma County and the City of Cloverdale

I. Request for Transfer

In accordance with Government Code Section 65584.07(a), Sonoma County requests ABAG approval of revised RHNA's for the County and the City of Cloverdale. The County and the City have executed an agreement wherein the City has agreed to increase its RHNA in an amount equivalent to the reduction that would be experienced by the County.

The "transfer agreement" is included as an attachment and supports the request for transfer outlined in Table 1 below. This transfer is necessary for the County to continue to fulfill its obligation to plan for development of affordable housing in the unincorporated area and meet other requirements of the law.

Table 1. County and City RHNA Allocations Before and After the Requested Transfer

	VLI	LI	MI	AMI	Totals
County original RHNA	1,036	596	627	1,622	3,881
% of County RHNA to Cloverdale	1.45%		1.45%		
Units to Cloverdale	12	12	0	33	57
Cloverdale original RHNA	74	43	45	116	278
Cloverdale new RHNA	86	55	45	149	335
County new RHNA	1,024	584	627	1,589	3,824

II. Compliance with Requirements of Section 65584.07(a)

Under Government Code Section 65584.07(a), counties may reduce their share of regional housing needs by transferring units to one or more of the cities within the county. This section of the law has remained essentially unchanged since its adoption in 2004 despite the recent flurry of housing legislation and serves to recognize the challenges faced by unincorporated jurisdictions, which often steward agricultural and environmental resources and are not broadly served by municipal utilities.

As stated in Section 65584.07(a)(4), the council of governments *"shall approve the proposed reduction if it determines that conditions set forth in paragraphs (1), (2), and (3) have been satisfied."*

- a. The condition in Section 65584.07(a)(1) states: *"One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction."* As explained above, and as demonstrated by the agreement attached to this report, the City of Cloverdale has agreed to an increase in their RHNA that is equivalent to the County's decrease.
- b. The condition in Section 65584.07(a)(2) states: *"The transfer of shares shall only occur between a county and cities within that county."* As explained above, and as demonstrated by the agreement attached to this report, the requested transfer would only be between the County and a city within the County.
- c. The condition in Section 65584.07(a)(3) states: *"The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above-moderate income housing is reduced."* The requested transfers would reduce the County's lower income units (i.e., very low + low income units) in proportion to the reduction in moderate + above market units. Specifically, the transfer to the City of Cloverdale would reduce the County's RHNA for lower income units (very low + low-income units) by 1.45% and would reduce the County's RHNA for moderate plus above moderate units by 1.45%.

III. Factors and Circumstances Justifying this Request

Section 65584.07(a)(4) further requires that "the county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision." The City-County agreement attached to this request describes the factors and circumstances justifying the revision, summarized here as follows:

Preservation of Agricultural Land. Sonoma County and its incorporated jurisdictions have long shared a common interest in agricultural preservation and in maintaining the vibrant agricultural economy that is Sonoma County's economic base. This has resulted in strong policies to protect agricultural lands from conversion to non-agricultural uses, and in policies to support urban centered growth. Examples include the County's Measure K, adopted by 81% of voters in 2016 to preserve agricultural lands, and the urban growth boundary established by the City of Cloverdale.

These shared commitments seek to ensure that non-agricultural uses are located largely within incorporated jurisdictions, where they will not conflict with agricultural uses and will encourage non-agricultural uses in areas (i.e., within city limits) where there are urban services, including water and wastewater utilities, frequent transit service, schools, groceries, health care, and all other needed services. The vast majority of unincorporated Sonoma County does not have access to water and



wastewater utilities or convenient access to other urban services.

City Control within Spheres of Influence. Cities also wish to control development at their boundaries, so developable land that is available in the unincorporated area has often been annexed to the cities. With the recent annexations of the 28.7-acre Baumgardner Ranch and the Bi' Du Khaale project, as described in the agreement, Cloverdale will add more than 250 housing units including more than 150 affordable units. These annexations are consistent with the principles shared by the County and its cities, but also have the effect of reducing developable lands in the County that could be planned for multifamily housing.

County Financial Support for Affordable Developments within City Limits. The County provides significant financial support for affordable housing development without regard to jurisdictional boundaries. In the fifth housing element planning cycle, it has supported projects in the City of Cloverdale. The County will continue to allow affordable housing projects within the City of Cloverdale to apply for and receive funding through the County Fund for Housing. In recognition of the enhanced feasibility of affordable housing within city limits, the City has agreed to accommodate a portion of the County's RHNA.

The agreement between the County and the City under Section 65584.07(a) is an attachment to this request.

The requested transfer would advance the principles of agricultural preservation and urban centered growth by ensuring that additional housing is planned and developed within the City. In addition, the transfer will result in *more* housing being developed because water and wastewater utilities and access to other urban services are available in the City and not in the unincorporated County.

The County retains a significant share of the regional housing need and will continue to plan for affordable housing - especially farmworker housing - in the unincorporated area. The County will also meet all other housing element requirements related to affirmatively furthering fair housing (AFFH), emergency shelters, multifamily development, single room occupancies, transitional and supportive housing, and reducing constraints.

IV. Conformance with RHNA Objectives in Section 65584(d)

ABAG has asked that the transfer request demonstrate conformance with the RHNA objectives in Section 65584(d), although this is not a requirement for a transfer. Nonetheless, the requested transfers would conform to the RHNA Objectives in Government Code Section 65584(d), as outlined below.

- **65584(d)(1):** *Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.*

The RHNA transfer will not change the total amount or type of housing that must be accommodated in Sonoma County but rather will place some of that housing on sites with available public utilities and access to urban services. The unincorporated areas with the greatest housing development potential have been annexed to the cities. The requested transfer will likely result in greater increases in affordable housing supply than would occur in



the County because of the general lack of services available in most of the incorporated areas: access to services is required to obtain tax credits and other affordable housing funds. The transfer will also further the County's commitment to retaining its agricultural economic base, which generates a majority of the jobs and other economic activity in the County.

The County will be required to meet all other housing element requirements, including providing a mix of housing types, tenure, and affordability. Although the approved agreements provide for the transfer of the County's total RHNA, under this request the County would retain an allocation of 1,608 units for low- and very low-income households following approval of the requested transfer.

The County will also continue to offer financial support for affordable housing developments in the City as well as in the unincorporated area. The County provides a broad array of services to City residents, especially lower income residents, including child welfare services, public health services, mental health services, self-sufficiency services, and services for older adults.

- **65584(d)(2):** *Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.*

ABAG encouraged counties that appealed their Draft RHNA (Contra Costa, Sonoma, Marin, Santa Clara) to pursue transfer agreements with their cities to "foster efficient infill and protection of agricultural and environmental resources."²

The requested transfer would promote infill development and other listed objectives by encouraging development within urbanized areas, rather than in agricultural zones, where parcel sizes are considerably larger, development is more dispersed, and fewer urban services (including utilities) are available. While residents of the City who work in the unincorporated area will have to travel to their jobs, most jobs in the county are located within the cities, and the cities are where employees go for most urban services like groceries, hospitals, schools, etc. The cities also have more frequent transit service. All this means that, in general, development of infill housing in the cities would result in fewer and shorter auto trips and lower emissions than housing in the unincorporated area.

- **65584(d)(3):** *Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*

The County and the cities within Sonoma County have long agreed that urban services and non-agricultural development belong in urbanized areas and have viewed preserving Sonoma County's agricultural economy (and supporting related employment) as a joint responsibility. The requested transfer would not change the region's jobs-housing balance, although by encouraging additional units in the City where development of housing is more likely, it could incrementally improve the balance between jobs and housing while also reducing vehicle miles traveled (VMT).



The County also recognizes that there are agricultural uses within the unincorporated area that involve employment. Farmworkers, winery employees, and similar workers must travel from the cities to their job sites unless they can find housing closer to their employment. The County strongly encourages the provision of farmworker bunkhouses, agricultural employee units, and farm family units on agricultural land, facilitates their production as permitted uses, and waives impact fees in the unincorporated area. County staff is exploring ways that the housing element update can expand upon these current code provisions and otherwise promote development of farmworker housing in the unincorporated County.

- **65584(d)(4):** *Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.*

The requested transfers comply with State law, which requires lower income (very low income + low income) units to be transferred in an amount proportionate to moderate plus above moderate units. In other words, the County is not seeking to transfer away only its lower income units.

Approximately 35% of the households in the County have incomes less than 80% of area median income (AMI), comparable to 36% of the households in the City of Cloverdale. This data suggests that the jurisdictions have comparable proportions of lower-income households and that the proposed transfer would not materially affect a jurisdiction with a disproportionate share of lower income households.

² See ABAG staff reports regarding Contra Costa County Appeal, Sonoma County Appeal, Marin County Appeal, and Santa Clara County Appeal at this location: <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation/2023-2031-rhna-appeals-process>.

- **65584(d)(5):** *Affirmatively furthering fair housing. (Based on Section 65584(e), "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.)*

Again, the requested transfer complies with State law, which requires lower income (very low income + low income) units to be transferred proportionately to moderate and above moderate units. In other words, the County is not seeking to transfer away only its lower-income units. The City would receive a balance of lower income (very low income + low income) units and moderate and above moderate income units, as discussed above. Also, consistent with State law and HCD guidance both the County and City will conduct detailed AFFH assessments as part of their housing element updates.

V. Supporting Information

The executed transfer agreement with the City of Cloverdale that is the foundation for the County's transfer request is attached and provides evidence of the commitment by both jurisdictions to this RHNA transfer.

³ 2015-2019 American Community Survey (ACS) data.