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May 11, 2020

Gustavo Velasquez, Director California Department of Housing and Community Development 2020 West El Camino Avenue Sacramento, CA 95833

Dear Director Velasquez:

As you may be aware, the Association of Bay Area Governments (ABAG) is in the early stages of the Regional Housing Needs Allocation (RHNA) process for the planning period between 2023 and 2031. Despite the COVID-19 pandemic and the economic challenges ahead for our region and the state, ABAG continues to work closely with local jurisdictions, stakeholder organizations, and the public at large on critical regional housing issues. However, we are also aware that the ongoing pandemic – and the immense challenges it is placing on public health, the economy, government at all levels, and importantly our most vulnerable populations – has been occupying a greater and greater share of local officials' attention as the impacts from the crisis grow daily.

Understandably, some of our member jurisdictions are concerned about the timing of the RHNA requirements, as well as the status of supportive housing funding for local jurisdictions via the Regional Early Action Planning (REAP) and Local Early Action Planning (LEAP) grant programs. With reduced budgets for local jurisdictions, there will likely be fewer planning staff able to participate in the RHNA process on the regional level and to update Housing Elements on the local level in the months ahead. Changing economic conditions may affect the landscape for regional needs, potentially increasing or decreasing the needs at different income levels. Lastly, elected officials may need to prioritize public health and economic development efforts in the months ahead, leaving more limited bandwidth for robust updates to Housing Elements.

Statutory deadlines related to the Bay Area's RHNA process span from late 2020 to early 2023, with the latter date reflecting the deadline for jurisdictional Housing Elements to be updated. Under Governor Newsom's March 4 Safer at Home, Stay at Home Order (Executive Order N-25-20), as well as subsequent Orders and guidance coordinated by the California Department of Public Health, we understand there has been no change to the deadlines related to the RHNA processes across the state. <u>Please confirm that these current deadlines remain operable, and whether HCD is exploring further flexibility on allocation methodology deadlines and Housing Element deadlines (included in Article 10.6 of California Government Code) given the current crisis.</u>

Additionally, the State's 2019-2020 Budget Act included significant, one-time funding via the REAP and LEAP programs to assist jurisdictions with implementation of the sixth-cycle of RHNA, including updates of local Housing Elements. ABAG has moved expeditiously on requesting the first tranche of the REAP funds, and has engaged broadly with Bay Area jurisdictions about using REAP to develop an upcoming Regional Technical Assistance Program focused on the development of compliant Housing Elements. <u>Given the current crisis, we are concerned that the State budget will not appropriate sufficient funds for these programs, and request that HCD work to ensure maintenance of these resources, as they are essential to assisting local jurisdictions during these times.</u>

In addition to elevating these concerns from some of our member jurisdictions, we would like to underscore our willingness to collaborate and partner with the State during this unprecedented time in our history. It remains essential to plan for the housing needs of individuals and families at all income levels. ABAG staff have been engaged in productive consultation efforts with HCD and will continue to do so in the months ahead. The unique circumstances wrought by the coronavirus pandemic may warrant flexibility around current RHNA requirements and deadlines, but ABAG remains committed to the provision of affordable housing for all Bay Area residents.

Please feel free to reach out in the event of any questions from you or your staff.

Sincerely, Dueiene What

Therese W. McMillan Executive Director

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