REGIONAL HOUSING NEEDS ALLOCATION

- TO: ABAG Administrative Committee
- DATE: October 29, 2021
- FROM: Therese W. McMillan, Executive Director

SUBJECT: County of Sonoma Appeal of Draft RHNA Allocation and Staff Response

OVERVIEW

Jurisdiction: County of Sonoma

Summary: The County of Sonoma submitted two separate RHNA appeals. ABAG-MTC staff has provided a consolidated response to all issues raised in both appeals. The first appeal requests a decrease of the County's Draft RHNA Allocation by 1,971 units (51 percent) from 3,881 units to 1,910 units and the second appeal requests a transfer of 60 units to the City of Cloverdale based on an annexation that occurred in May 2021. The County's appeal request is based on the following issues:

- ABAG failed to adequately consider information submitted in the Local Jurisdiction Survey related to:
 - Sewer or water infrastructure constraints for additional development due to laws, regulatory actions, or decisions made by a provider other than the local jurisdiction.
 - Availability of land suitable for urban development or for conversion to residential use.
 - County policies to preserve prime agricultural land.
 - Affirmatively furthering fair housing.
- ABAG failed to determine the jurisdiction's Draft Allocation in accordance with the Final RHNA Methodology and in a manner that furthers, and does not undermine, the RHNA Objectives.
- A significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted in the Local Jurisdiction Survey.

Staff Recommendation: Deny the appeal.

BACKGROUND

Draft RHNA Allocation

Following adoption of the Final RHNA Methodology on May 20, 2021, the County of Sonoma received the following draft RHNA allocation on May 25, 2021:

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
County of Sonoma	1,036	596	627	1,622	3,881

Local Jurisdiction Survey

The County of Sonoma submitted a Local Jurisdiction Survey. A <u>compilation of the surveys</u> <u>submitted</u> is available on the ABAG website.

Comments Received during 45-Day Comment Period

ABAG received nearly 450 comments during the 45-day public comment period described in Government Code section 65584.05(c). Some comments encompassed all of the appeals submitted, and there were 12 comments that specifically relate to the appeal filed by the County of Sonoma. Ten comments oppose the County's appeal and two support it. <u>All comments received</u> are available on the ABAG website.

ANALYSIS

Issue 1: The County of Sonoma argues that ABAG failed to adequately consider information provided in the Local Jurisdiction Survey related to the availability of land suitable for urban development or residential use. Specifically, the County asserts that ABAG failed to consider the County's Urban Service Areas and Community Separators in the modeling for the Plan Bay Area 2050 Final Blueprint.

ABAG-MTC Staff Response: The final RHNA methodology adequately considers the potential development constraints described in the County of Sonoma's appeal through use of data from the Plan Bay Area 2050 Final Blueprint as the baseline allocation. In developing the Plan Bay Area 2050 Final Blueprint, ABAG-MTC staff worked with local governments to gather information about local plans, zoning, and physical characteristics that might affect development. A strength of the land use model used for Plan Bay Area 2050 forecasting is that it assesses feasibility and the cost of redeveloping a parcel, including the higher cost of building on parcels with physical development constraints, e.g., steep hillsides. These feasibility and cost assessments are used to forecast the County's share of the region's households in 2050, which is an input into its RHNA allocation.

Additionally, using the Plan Bay Area 2050 Final Blueprint as the RHNA baseline integrates several key strategies related to agricultural preservation. First, the growth pattern in the Final Blueprint is significantly driven by Strategy EN4 that maintains all existing urban growth boundaries, without any expansion, over the lifespan of the long-range plan. Existing urban growth boundaries, which take a variety of forms across the region but are relatively common in the Bay Area, help not only to protect prime agricultural lands from development, but also parks and open space. Second, this strategy is supported by Strategy EN5, which envisions \$15 billion in future funding for agricultural land preservation to acquire land for permanent agricultural use.

As mentioned in the County's appeal, ABAG-MTC staff met with County of Sonoma staff about the data and modeling assumptions used in the Final Blueprint. In response to these discussions,

ABAG-MTC staff considered using the County's Urban Service Areas as a "de facto" urban growth boundary in Sonoma County in the Final Blueprint. However, Urban Service Areas in Sonoma County are geographically larger than the urban growth boundaries. Therefore, using Urban Service Areas instead of city and town urban growth boundaries would have allowed future growth to occur in more areas within the unincorporated county. In effect, the use of urban growth boundaries as delineated in Strategy EN4 to constrain growth within the Plan Bay Area 2050 Final Blueprint forecasting is more restrictive than using the Urban Service Areas. The use of the urban growth boundaries also ensures that household growth is not forecasted in the areas identified by the County as Community Separators, as Community Separators lie outside of the urban growth boundaries.

Though the growth forecasted in Plan Bay Area 2050 is constrained to reflect urban growth boundaries and environmental protections and focuses growth in areas of existing development, as HCD notes in its comment letter on submitted appeals, Government Code Section 65584.04(e)(2)(B) states that ABAG:

"may not limit its consideration of suitable housing sites to existing zoning and land use restrictions and must consider the potential for increased development under alternative zoning and land use restrictions. Any comparable data or documentation supporting this appeal should contain an analysis of not only land suitable for urban development, but land for conversion to residential use, the availability of underutilized land, and opportunity for infill development and increased residential densities. In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out or limited due to other natural constraints such as fire and flood risk areas must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land."¹

Accordingly, the Plan Bay Area 2050 Final Blueprint forecasts additional feasible growth within urban growth boundaries by increasing allowable residential densities and expanding housing into select areas currently zoned for commercial and industrial uses through strategies such as Strategy H3, Strategy H6, and Strategy H8. While Plan Bay Area 2050 strategies largely do not result in additional growth outside of urban growth boundaries, a notable exception is when a locally-nominated Priority Development Area (PDA) is located in part or in full outside of existing urban growth boundaries. Such is the case for Sonoma County, which nominated the Airport PDA in the vicinity of the Sonoma County Airport SMART station. As a result, three new developments are forecasted in the Final Blueprint, totaling approximately 650 units, on public lands within walking distance of SMART. While not within the County's urban growth boundary, these development sites remain within the

¹ See <u>HCD's comment letter on appeals</u> for more details.

Urban Service Area. These public lands sites represent critical locations in the region for walkable transit-oriented development.

Importantly, RHNA is not just a reflection of projected future growth, as statute also requires RHNA to address the existing need for housing that results in overcrowding and housing cost burden throughout the region. Accordingly, the 2050 Households baseline allocation in the RHNA methodology represents both the housing needs of existing households and forecasted household growth from the Plan Bay Area 2050 Blueprint. Thus, the RHNA methodology adequately considers the development constraints raised in this appeal, but the allocation to this jurisdiction also reflects both existing and future housing demand in the Bay Area.

Per Government Code Section 65584.04(e)(2)(B), the County of Sonoma must consider the availability of underutilized land, opportunities for infill development and increased residential densities to accommodate its RHNA. The County does not provide evidence that it is unable to consider underutilization of existing sites, increased densities, accessory dwelling units (ADUs), and other planning tools to accommodate its assigned need.² In developing its Housing Element, the County has the opportunity to identify the specific sites it will use to accommodate its RHNA. In doing so, it can choose locations and plan for densities that avoid developing on farmlands, grazing lands, conservation lands and critical habitats.

Issue 2: The County of Sonoma argues that ABAG failed to adequately consider information about FEMA flood areas in the County in considering land available for urban development.

ABAG-MTC Staff Response: ABAG-MTC staff understands the County of Sonoma's concerns about the potential for future growth in areas at risk of flooding. However, with only a small exception, Housing Element Law does not identify areas at risk of natural hazards as a potential constraint to housing development."³ Given the significant natural hazard risks in the Bay Area, whether to incorporate information about hazard risks when allocating RHNA units was one of the topics most thoroughly discussed by the Housing Methodology Committee (HMC) during the methodology development process. Ultimately, HMC members took a vote and came to consensus that though housing in high hazard areas is a concern, adding a specific hazard factor to the RHNA methodology may not be the best tool to address this issue.

In large part, this is because the Plan Bay Area 2050 Final Blueprint, which forms the baseline of the final RHNA methodology, already addresses concerns about natural hazards, as the Final

² See HCD's <u>Housing Element Site Inventory Guidebook</u> for more details on the various methods jurisdictions can use to plan for accommodating their RHNA.

³ Government Code Section 65584.04(e)(2)(B) states "The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding."

Blueprint excludes areas with unmitigated high hazard risk from Growth Geographies. While there may be areas at risk of flooding in the jurisdiction, the County of Sonoma has not provided evidence that it cannot accommodate its RHNA allocation due to a determination by FEMA or the Department of Water Resources consistent with the requirements of Government Code Section 65584.04(e)(2)(B).

Throughout the region, it is essentially impossible to avoid all hazards when siting new development, but jurisdictions can think critically about which areas in the community have the *highest* hazard risk. The RHNA methodology does not dictate where new housing is located within unincorporated Sonoma County. In developing its Housing Element, the County of Sonoma has the opportunity to identify the specific sites it will use to accommodate its RHNA. In doing so, the County can choose to take hazard risk into consideration with where and how it sites future development, either limiting growth in areas of higher hazard or by increasing building standards for sites within at-risk areas to cope with the hazard. By considering appropriate mitigation measures, the County can appropriately site housing in locations throughout Sonoma County. Notably, the residents of new development are likely to be safer from hazards that more effectively address hazard risk. For additional guidance on how to integrate resilience into the Sites Inventory and the Housing Element more broadly, refer to ABAG's Resilient Housing Instruction Guide and associated resources.⁴

Issue 3: The County argues that ABAG failed to adequately consider information provided in the Local Jurisdiction Survey related to the availability and adequacy of water and sewer services to allow the urban development of unincorporated land. The County asserts it has limited land with sewer service and expansion outside designated Urban Service Areas is prohibited by state and local regulations.

ABAG-MTC Staff Response: As noted in the response to Issue 1, the final RHNA methodology adequately considers the potential development constraints described in the County of Sonoma's appeal through use of data from the Plan Bay Area 2050 Final Blueprint as the baseline allocation. The growth pattern in the Final Blueprint maintains all existing urban growth boundaries, without any expansion, over the lifespan of the long-range plan. These urban growth boundaries are more restrictive than the County's Urban Service Areas in the areas where potential future growth can occur.

Issue 4: The County argues that ABAG's failure to consider information submitted in the Local Jurisdiction Survey results in an allocation to the County of Sonoma that will force it to locate

⁴ The Resilient Housing Instruction Guide is available on ABAG's website:

<u>https://abag.ca.gov/sites/default/files/documents/2021-07/0 ResilientHousingInstructionGuide.docx</u>. Additional resources for incorporating resilience in Housing Element updates are available here: <u>https://abag.ca.gov/our-work/resilience/planning/general-plan-housing-element-updates</u>.

lower-income units in disadvantaged communities with higher exposure to flooding, which fails the statutory requirement to affirmatively further fair housing.

ABAG-MTC Staff Response: As discussed in the responses to Issues 1 and 2 above, the RHNA methodology adequately considers the development constraints and other information provided in the County of Sonoma's response to the Local Jurisdiction Survey. Additionally, this argument by the County challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD. A valid appeal must show ABAG made an error in the application of the methodology in determining the jurisdiction's allocation; a critique of the adopted methodology itself falls outside the scope of the appeals process. Housing Element Law gives HCD the authority to determine whether the RHNA methodology furthers the statutory objectives described in Government Code Section 65584(d), and HCD made this determination.⁵ Regarding the RHNA objective noted in the County's appeal, HCD made the following findings:

"HCD applauds the significant weighting of Access to High Opportunity Areas as an adjustment factor and including an equity adjustment in the draft methodology. ABAG's methodology allocates more RHNA to jurisdictions with higher access to resources on a per capita basis. Additionally, those higher-resourced jurisdictions receive even larger lower income RHNA on a per capita basis. For example, the high-resourced communities of Cupertino and Mountain View receive higher total allocations on a per capita basis. For lower resourced jurisdictions with high rates of segregation, such as East Palo Alto, their allocations – particularly lower income RHNA allocations – are much lower on a per capita basis."

Furthermore, in developing its Housing Element, the County has the opportunity to identify the specific sites it will use to accommodate its lower-income RHNA. The RHNA methodology does not dictate where lower-income units are located within unincorporated Sonoma County. ABAG-MTC staff understands the County's commitment to siting its lower-income RHNA away from areas at risk of flooding and wildfire. However, many Bay Area jurisdictions may find that siting housing in areas with some hazard risk is unavoidable to accommodate their housing need, including the need for lower-income housing. By considering appropriate mitigation measures, the County can appropriately site lower-income housing in locations throughout Sonoma County. As noted above in the response to Issue 2, the residents of new development (both affordable and market-rate) are likely to be safer from hazards than current residents living in older structures, as new construction is built to modern standards that more effectively address hazard risk.

⁵ For more details, see <u>HCD's letter</u> confirming the methodology furthers the RHNA objectives.

Similarly, ABAG-MTC staff commends the County's commitment to affirmatively furthering fair housing by trying to site its lower-income RHNA in areas with the highest access to opportunity. However, meeting the statutory obligations to affirmatively furthering fair housing does not mean that the County cannot site any of its lower-income RHNA in economically disadvantaged communities. In fact, HCD's Affirmatively Furthering Fair Housing Guidance Memo states that the identification of sites should be informed by an analysis of disproportionate housing needs, which include cost burden, overcrowding, and displacement.⁶ As low-income residents of disadvantaged communities are most vulnerable to displacement, building new affordable housing in these communities can enable these residents to avoid displacement and maintain stability. Building new affordable housing in these communities also helps to address the cost burden and overcrowding experienced by many low-income residents. While ABAG-MTC staff agrees that the County should seek to site much of its lower-income RHNA in communities with the most access to opportunity, the County can also further fair housing by enabling new units of high-quality affordable housing in economically disadvantaged neighborhoods where low-income residents currently live.

Issue 5: The County of Sonoma argues that the RHNA Methodology fails to further RHNA objective 1, related to increasing the housing supply in all jurisdictions in the region in an equitable manner, because the County is not a "major Growth Geography" and does not have major transit facilities or job centers, nor a high degree of divergence from regional norms. However, the County has one of the highest percentages of RHNA increase in the entire Bay Area.

ABAG-MTC Staff Response: This argument by the County again challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD and thus falls outside the scope of the appeals process. Regarding the RHNA objective noted in the County's appeal, HCD made the following findings:

"On a per capita basis, the methodology allocates larger shares of RHNA to higher income jurisdictions, resulting in an allocation larger than their existing share of households. Jurisdictions with more expensive housing units – an indicator of higher housing demand – receive larger allocations on a per capita basis. For example, Palo Alto and Menlo Park have some of the highest housing costs in the region, according to American Community Survey Data. Both jurisdictions receive a share of the regional RHNA that is larger than their share of the region's population, putting them in the top 15 per capita allocations. Additionally, jurisdictions with higher rates of home ownership and single-family homes receive slightly larger lower-income allocations as a percentage of their total RHNA (supporting a mix of housing types)."

⁶ For more information, see page 49 of HCD's Affirmatively Furthering Fair Housing Guidance Memo: <u>https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf</u>.

Part of the reason the County's draft allocation is the second highest for the jurisdictions in Sonoma County, even though other jurisdictions may have more acres of Growth Geographies, is because the County has the second highest number of existing households (54,400) in the county. Furthermore, compared to other jurisdictions across the Bay Area, the amount of household growth the County would experience as a result of its draft RHNA allocation is only 7% from its total households in 2020. This household growth rate is significantly lower than the 16% growth rate that the Bay Area will experience as a result of the 2023-2031 RHND assigned by HCD.

As noted previously, the RHNA must address both existing and future housing needs. The final RHNA methodology accomplishes this by using total households in 2050 as the baseline allocation because it incorporates both existing households and the forecasted growth in households from the Final Blueprint. Housing Element Law requires the RHNA allocation to affirmatively further fair housing, which means overcoming patterns of segregation and addressing disparities in access to opportunity. Incorporating existing housing patterns into the RHNA methodology ensures that the allocations further this objective in all communities, not just those expected to experience significant growth.

Issue 6: The County of Sonoma argues that the RHNA methodology fails to further RHNA Objective 2 because it fails to protect environmental and agricultural resources and encourages sprawl rather than infill development.

ABAG-MTC Staff Response: This argument by the County again challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD, and thus falls outside the scope of the appeals process. Regarding the RHNA objective noted in the County's appeal, HCD made the following findings:

"The draft ABAG methodology⁷ encourages a more efficient development pattern by allocating nearly twice as many RHNA units to jurisdictions with higher jobs access, on a per capita basis. Jurisdictions with higher jobs access via transit also receive more RHNA on a per capita basis.

Jurisdictions with the lowest vehicle miles traveled (VMT) per capita, relative to the region, receive more RHNA per capita than those with the highest per capita VMT. ABAG's largest individual allocations go to its major cities with low VMT per capita and better access to jobs. For example, San Francisco – which has the largest allocation – has the lowest per

⁷ Pursuant to Government Code Section 65584.04(i), HCD must review the Draft RHNA Methodology developed by the Council of Governments. On May 20, 2021, ABAG adopted the Draft RHNA Methodology without any modifications as the Final RHNA Methodology.

capita VMT and is observed as having the highest transit accessibility in the region. As a major employment center, San Jose receives a substantial RHNA allocation despite having a higher share of solo commuters and a lower share of transit use than San Francisco. However, to encourage lower VMT in job-rich areas that may not yet be seeing high transit ridership, ABAG's Plan Bay Area complements more housing in these employment centers (which will reduce commutes by allowing more people to afford to live near jobs centers) with strategies to reduce VMT by shifting mode share from driving to public transit."

As noted previously, using the Plan Bay Area 2050 Final Blueprint as the RHNA baseline allocation integrates several key strategies related to agricultural preservation. This includes Strategy EN4 that maintains all existing urban growth boundaries, without any expansion, over the lifespan of the long-range plan. This strategy is also supported by Strategy EN5, which envisions \$15 billion in future funding for agricultural land preservation to acquire land for permanent agricultural use.

Issue 7: The County argues the RHNA methodology does not further RHNA objective 4, related to balancing disproportionate household income distributions. The County argues it will be forced to zone for a disproportionately high concentration of its lower-income population in areas on the outskirts of cities, where poverty rates are highest and socioeconomic outcomes are lowest.

ABAG-MTC Staff Response: This argument by the County again challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD, and thus falls outside the scope of the appeals process. Regarding the RHNA objective noted in the County's appeal, HCD made the following findings:

"On average, cities with a larger existing share of lower income units receive smaller allocations of low- and very-low income units as a percentage of their total RHNA. For example, East Palo Alto's current percentage of households that are lower income is the highest in the ABAG region and it receives the lowest lower income allocation as a percentage of its total RHNA. San Pablo's percentage of households that are lower income is the second highest in the region and its lower income allocation as a percentage of its total RHNA is lower than 92% of other jurisdictions. Cities with smaller shares of existing lower income units receive larger allocations of low- and very low-income units as a percentage of their total RHNA."

Importantly, the argument the County of Sonoma makes in its appeal is not directly related to the statutory objective it cites. The objective described in Government Code Section 65584(d)(4) relates to 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. HCD affirms that the RHNA Methodology furthers this objective, as noted above.

Issue 8: The County of Sonoma argues that the RHNA Methodology fails to further RHNA objective 5, related to affirmatively furthering fair housing. The County asserts it will be forced to concentrate sites for lower-income units in areas that are already under-resourced or at risk of flooding.

ABAG-MTC Staff Response: See response to Issue 4 above.

Issue 9: The County of Sonoma cites a change in circumstances because the drought has constrained surface water supplies in Sonoma County and the Russian River watershed. The County argues this necessitates a reduction in the County's RHNA allocation.

ABAG-MTC Staff Response: Government Code Section 65584.04(e)(2)(A) states that ABAG must consider the opportunities and constraints to development of additional housing in each member jurisdiction due to "Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period." However, the arguments put forward by the County of Sonoma do not meet the requirements for a valid RHNA appeal, as the County has not demonstrated that it is precluded from accommodating its RHNA allocation because of a decision by this water service provider.

Furthermore, future population growth does not necessarily mean a similar increase in water consumption: while the region's population grew by approximately 23 percent between 1986 and 2007, total water use increased by less than one percent.⁸ A review by ABAG-MTC staff of 54 UWMPs from 2015 and 2020 produced by water retailers that cover 94 percent of the Bay Area's population illustrate a further reduction in per capita water use over the past decade. Between 2010 and 2015 per capita water use fell from 162 gallons per person per day to 105, reflecting significant conservation during the last major drought. In the 2020 non-drought year, conservation held, with the regional daily use at 114 gallons per person per day, a 30 percent reduction since 2010. In addition to having an impressive aggregate reduction in water use, only one water retailer out of the 54 reviewed plans did not meet state per capita water conservation goals. In other words, per capita water use has substantially declined in the region over the last quarter century.

The Plan Bay Area 2050 Final Blueprint, which is used as the baseline allocation in the RHNA methodology, has the potential to lessen water supply issues in the region. The Final Blueprint concentrates future growth within already developed areas to take advantage of existing water supply infrastructure and reduce the need for new water infrastructure to be developed to serve new areas. Per capita water use is likely to be less due to a greater share of multifamily housing

⁸ San Francisco Bay Area Integrated Regional Water Management Plan, 2019.

and modern water efficiency standards for new construction and development. The continued urban densification promoted by the Final Blueprint – in addition to the continued implementation of water conservation, reuse and recycling programs by local water agencies and municipalities – will help to continue the downward trajectory of per capita water consumption within the region. One of Plan Bay Area 2050's strategies to reduce risks from hazards is to provide financial support for retrofits to existing residential buildings to increase water efficiency. ABAG and MTC are working with partner agencies to secure additional resources to improve water conservation in the Bay Area over the long term.

It is true that the current drought poses significant challenges to Bay Area communities, and that the incidence of droughts is likely to increase as a result of climate change. All jurisdictions in the Bay Area, State of California, and much of the western United States must contend with impacts from drought and all 441,176 new homes that must be planned for in the region need sufficient water. However, as HCD notes in its comment letter on appeals that identified drought as an issue, "these issues do not affect one city, county, or region in isolation. ABAG's allocation methodology encourages more efficient land-use patterns which are key to adapting to more intense drought cycles and wildfire seasons. The methodology directs growth toward infill in existing communities that have more resources to promote climate resilience and conservation efforts."⁹

Action can be taken to efficiently meet the region's future water demand, even in the face of additional periods of drought. Eight of the region's largest water districts in the region worked together to produce the Drought Contingency Plan to cooperatively address water supply reliability concerns and drought preparedness on a mutually beneficial and regional focused basis.¹⁰ The Drought Contingency Plan identifies 15 projects of a regional nature to further increase water supply reliability during droughts and other emergencies.

Importantly, the existence of the drought does not change the need to add more housing to address the Bay Area's lack of housing affordability. Part of the reason the Regional Housing Needs Determination (RHND) assigned by HCD for this RHNA cycle is significantly higher than in past cycles is because it incorporates factors related to overcrowding and housing cost burden as a way of accounting for existing housing need. ABAG encourages jurisdictions to take steps to accommodate growth in a water-wise manner, such as supporting new development primarily through infill and focusing on dense housing types that use resources more efficiently. We also support efforts like the Bay Area Regional Reliability partnership between many of the major water agencies in the region. The measures identified in the Drought Contingency Plan will improve regional reliability for all, especially for water districts with a small or singular water supply portfolio.

⁹ See <u>HCD's comment letter on appeals</u> for more details.

¹⁰ See the <u>Drought Contingency Plan</u> for more information.

Issue 10: The County of Sonoma requests a transfer of 60 units from the County to Cloverdale due to annexation of unincorporated land by Cloverdale that was approved by LAFCO and officially recorded in May 2021. The County asserts this annexation represents a significant and unforeseen change in circumstance that merits a revision of Sonoma County's allocation, and the County also argues that this transfer of units to Cloverdale furthers the statutory objectives of RHNA.

ABAG-MTC Staff Response: This annexation has no impact on the County of Sonoma's total households in 2050 in the Plan Bay Area 2050 Final Blueprint, which is the baseline allocation for the final RHNA methodology. Therefore, this annexation also has no effect on the draft allocation for Sonoma County.

As noted in Sonoma County's appeal, the annexation affected four parcels: APN 117-040-053, APN 117-040-084, APN 117-040-086, and APN 117-040-087. There are no households on any of these parcels in 2050 in the Plan Bay Area 2050 Final Blueprint, as the regional plan focuses more growth in Growth Geographies with greater access to jobs, transit, and other destinations. Consequently, whether these parcels are assigned to Cloverdale or Sonoma County has no impact on the number of households in 2050 forecasted for either jurisdiction in the Final Blueprint, and thus the annexation also has no impact on the RHNA allocation for either jurisdiction.

While ABAG-MTC staff recommends denying this appeal since the annexation does not impact either jurisdiction's draft RHNA allocation, staff is available to assist Sonoma County and the City of Cloverdale if they choose to pursue a voluntary transfer of units, in accordance with Government Code Section 65584.07(a).

ABAG-MTC staff understands the County's concerns about accommodating its RHNA in a way that fosters efficient infill and protection of agricultural and environmental resources. Housing Element Law recognizes some of the specific challenges unincorporated areas face by including provisions available only to counties that allow for a transfer of RHNA units to incorporated cities and towns in the county following adoption of the final RHNA allocation.¹¹ One option allowed by the statute is for the County and one or more jurisdictions to voluntarily agree on a transfer of units from the County to the city or town. A second option is for a County to transfer units following annexation of unincorporated land to a city.

By statute, voluntary transfers can be completed following ABAG's adoption of the final RHNA plan and prior to the Housing Element due date (January 2023) and transfers related to annexations can occur at any point during the RHNA cycle, as long as the request is submitted to ABAG within 90 days of the annexation. ABAG-MTC staff is prepared to work with jurisdictions in Sonoma County to come to agreement on a voluntary transfer as a way to advance the

¹¹ See <u>Government Code Section 65584.07</u> for more details.

County's goals for city-centered growth, and to move forward with approval of the transfer expediently following adoption of the final RHNA in December 2021.

RECOMMENDED ACTION

ABAG-MTC staff have reviewed the appeal and recommend that the Administrative Committee **deny** the appeal filed by County of Sonoma to reduce its Draft RHNA Allocation by 2,031 units (from 3,881 units to 1,850 units).