

STAFF REPORT

SUBJECT: UOP Technical Assistance for RHNA
Methodology Contract Amendment

RECOMMENDED ACTION: Authorize the Executive Director to Amend Contract C21-068 with UOP Center for Business and Policy Research to add scope, increase the Not-to-Exceed amount to \$50,000 and extend the contract end date from June 30, 2022, to Dec. 31, 2022

DISCUSSION:

SUMMARY:

In May 2021, the San Joaquin Council of Governments (SJCOG) Board authorized a contract award to the University of the Pacific (UOP) Center for Business and Policy Research (CBPR) for the Cycle 6 Regional Housing Needs Assessment (RHNA) methodology development. The original not-to-exceed amount of the contract was \$30,000 and the contract end date was June 30, 2022. SJCOG staff is recommending adding additional scope and budget to the contract to:



- Increase the number of consultation meetings with the California Department of Housing and Community Development (HCD) and increase CBPR's participation in required stakeholder and public outreach meetings.
- Add a task for the preparation of the draft and final Regional Housing Needs Plan (RHNP).
- Add a task to account for potential methodology appeals by either San Joaquin County jurisdictions or stakeholders.

The new scope tasks can be accomplished with additional budget of \$20,000, for a new not-to-exceed amount of \$50,000. The timeline extension accounts for the possibility of plan revisions needed after anticipated SJCOG Board approval of the RHNP in June 2022 and a subsequent review by HCD. The additional scope and budget are needed due to:

- Loss of key SJCOG staff members slated to handle public engagement, stakeholder outreach, and writing of the RHNA plan. SJCOG is actively recruiting new staff, however,

this is a critical time for the regional housing needs process and additional consultant resources are needed to keep the process on schedule.

- HCD has released a preliminary housing need determination that has raised the concerns of SJCOG's member jurisdictions. Thus, staff is recommending UOP conduct additional analytical work to be used in advocating with HCD for a lower overall housing need number assigned to San Joaquin County.
- CBPR has done an exemplary job with contract tasks to date and this additional scope will be value added for both SJCOG and member agencies for future consultations with HCD and working with stakeholders and jurisdictions on appeals to the methodology.

RECOMMENDATION:

Authorize the Executive Director to negotiate and execute an amendment for contract C21-068 with the UOP Center for Business and Policy Research to add scope, increase the not-to-exceed amount by \$20,000 to a total of \$50,000, and extend the contract end date from June 30, 2022, to Dec. 31, 2022.

FISCAL IMPACT:

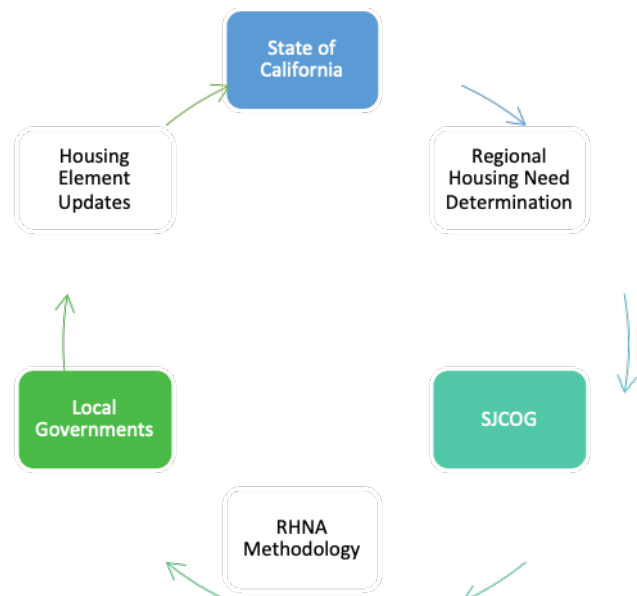
The increased budget for the contract amendment is \$20,000 and will be funded through the Regional Early Action Planning (REAP) program state planning funds. SJCOG received an additional REAP allocation in July 2021 specifically for the RHNA process. These additional resources were due to input from San Joaquin Valley Regional Planning Agencies that additional resources were needed owing to increased statutory requirements for data, outreach, and technical analysis in the Cycle 6 process. The SJCOG Fiscal Year 21-22 Overall Work Program has sufficient resources allocated to fund the budget increase for the contract amendment.

BACKGROUND:

RHNA Overview

RHNA is the state-mandated process to identify the share of the statewide housing need for which each community must plan (Figure 1). SJCOG is responsible for developing a methodology for allocating to every local government in the San Joaquin region a share of the Regional Housing Need Determination (RHND) received from HCD. Each local government must then update the Housing Element of its General Plan to show how it is planning for its share of needed housing units through zoning or rezoning of land.

Figure 1. RHNA Process Overview

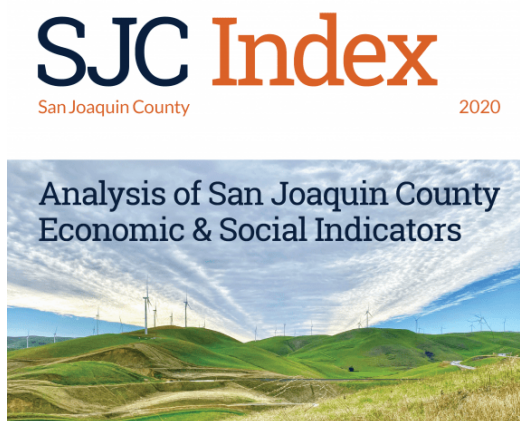


As part of the development of the Cycle 6 RHNA, SJCOG solicited assistance in developing the formula for the allocation of housing units per each jurisdiction in San Joaquin County. That formula, the RHNA methodology, allocates the housing need across income levels, or Regional Determination, provided by HCD to SJCOG. The RHNA methodology must adhere to five statutory objectives of RHNA and be consistent with SJCOG's Envision 2050 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The following are the objectives that have had the greatest impact on the overall RHNA determination from HCD. These objectives have resulted in a substantial increase to the region's housing need determination:

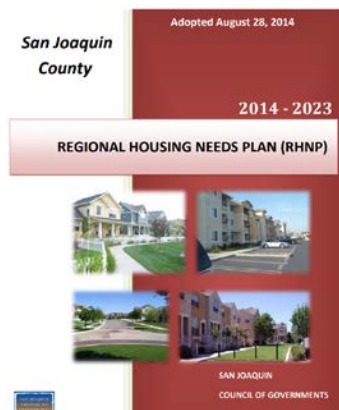
1. Regional Income Parity Adjustment Factor: The countywide distribution of households by income level will be compared to the distribution in each jurisdiction.
2. Jobs/Housing Fit Adjustment Factor: The ratio of low-wage workers (jobs less than \$2,300/month) to units affordable to low-wage workers will be estimated for each jurisdiction.
3. Affirmatively Furthering Fair Housing Adjustment Factor: Each jurisdictions' share of high opportunity areas will be estimated and used so that jurisdictions receive a fair share of lower income units.

About CBPR

The CBPR is a research and analysis institute known for independent, objective analyses of business, economic, and public policy issues in California with a focus on the Northern California Megaregion, which includes the North San Joaquin Valley, Sacramento Metro Area, and the Bay Area. The CBPR's extensive knowledge and data analysis on issues impacting the San Joaquin region uniquely positions them to develop a formula most reflective of the region's needs. They are a recognized expert in demographic and economic research for the region.



The Center for Business and Public Research frequently works with SJCOG on projects related to housing, labor, transportation, and economic development issues that are of critical importance to this region. Staff has high confidence in the quality of analyses by CBPR from current and previous contracts with SJCOG.



Additionally, the CBPR has direct regional housing experience from working on SJCOG's 2014 RHNA. CBPR did an excellent job refining the housing determination from the Department of Housing and Community for the previous RHNA cycle. This previous experience allows for very little start-up time as the CBPR already had most of the required data and were familiar with the process and local and regional stakeholders. SJCOG staff believes they can deliver the same level of quality product within budget and on

schedule for new proposed tasks. To date they have:

- Participated in outreach with jurisdictions and worked with the Envision 2050 consultant to ensure consistency between the draft RHNA and the land-use allocations for Envision 2050.
- Developed the draft RHNA methodology and reviewed it with member jurisdictions; revisions to the methodology are ongoing.
- Participated in consultation meetings with HCD and provided data to propose revisions to the draft RHNA determination number.

NEXT STEPS:

Upon SJCOG Board approval, staff will meet with the Center for Business and Policy Research to refine the work plan for the draft and final RHNA plan, outreach, and consultation, then execute the proposed contract amendment.

Upcoming anticipated milestones are detailed below:

<i>Task/Milestone</i>	<i>Date</i>
Finalize County Level Determination with HCD	December 2021
Revise Draft Methodology	December 2021
Additional Consultation with HCD on Draft Methodology	December 2021
Outreach to Stakeholders and the Public	January/February 2022
Draft and Release RHNA Methodology and Plan for Public and Stakeholder Review	February/March 2022
Final RHNA Plan & Methodology	June 2022
Potential Appeals and Additional Consultation	As Needed

Staff will be providing a full update on the RHNA determination and the draft methodology to SJCOG's standing committees and the board in January 2022.

Prepared by: Kim Anderson, Deputy Director, Planning