

## Fresno COG RHNA Subcommittee Meeting 5

### Summary

**Date: August 26, 2021**

**Time: 9:00 a.m. to 12:00 p.m.**

**Place: Via zoom**

### **SUBCOMMITTEE MEMBERS, ALTERNATES, AND OTHER FRESNO COG MEMBER JURISDICTIONAL STAFF PRESENT**

City of Clovis: Dave Merchen, Planner; Renee Mathis, Community Development Director; Lily Cha, Planning Assistant; and Chelsey Payne, Consultant to the City

City of Coalinga: Sean Brewer, Community Development Director

City of Firebaugh: Karl Schoettler, Contract Planner

City of Fowler: Dawn Marple, Contract Planner

City of Fresno: Jennifer Clark, Planning Director

County of Fresno: Bernard Jiminez, Deputy Director of Public Works & Planning and Yvette Quiroga, Senior Staff Analyst

City of Kerman: Jesus Orozco, Community Development Director

City of Parlier: Jeff O'Neal, Contract Planner and Sara Allinder, Contract Planner

City of Reedley: Ellen Moore, Senior Planner

City of Sanger: David Brletic, Senior Planner

City of San Joaquin: Matt Flood, Assistant City Manager

City of Selma: Fernando Santillan, Community Development Director

Building Industry Association of Fresno and Madera Counties: Mike Prandini, Executive Director

Leadership Counsel for Justice and Accountability: Karla Martinez, Policy Advocate

Note: though some agencies may have multiple representatives present at Subcommittee meetings, per the Subcommittee Charter, each member agency shall have a single vote on all decision points and recommendations.

### **STAFF AND CONSULTANTS PRESENT**

#### ***Fresno COG***

Kristine Cai, Deputy Director

Meg Prince, Senior Regional Planner

## **PlaceWorks**

David Early, Principal-in-Charge

Andrea Howard, Project Manager

Allison Giffin, Assistant Project Manager

## **MEMBERS OF THE PUBLIC PRESENT**

Eric VonBerg, Rincon Consultants

Janine Nkosi, Faith in the Valley

Patience Milrod, Central California Legal Services

Tom Brinkhuis, California Department of Housing and Community Development (HCD)

## **REGIONAL HOUSING NEEDS DETERMINATION**

Fresno COG notified Subcommittee members that the Draft Regional Needs Determination for the Fresno COG Region was revised and is now 63,209 units. HCD agreed to use DOF headship rates (persons per household) from the Department of Finance (DOF) in combination with population and housing unit forecasts from Fresno COG, resulting in the overall reduction of 2,905 units (from 66,209) since the previous Subcommittee Meeting #4.

Fresno COG also announced that the COG is performing a Comparable Region Analysis to further refine the draft Regional Housing Needs Allocation for the region. Whereas the Regional Housing Needs Determination calculation includes an adjustment factor for overcrowding and cost-burden based on national averages for each measure, a Comparable Region Analysis allows for the possibility of using overcrowding and cost-burden adjustment factors based on other regions that are comparable to Fresno COG in terms of size and key demographics.

## **FRESNO COG SUPPORT FOR 6<sup>TH</sup> CYCLE HOUSING ELEMENT AND OTHER REGIONAL PLANNING EFFORTS**

During the 5<sup>th</sup> Cycle RHNA, multiple jurisdictions participated in a multi-jurisdictional Housing Element. Legislative changes since the 5<sup>th</sup> Cycle have increased the complexity and cost of the Housing Element process, such that a multi-jurisdictional Housing Element is no longer feasible. Instead of conducting a multi-jurisdictional Housing Element for the 6<sup>th</sup> Cycle, the COG is proposing to compile data packets for each jurisdiction to use in their individual Housing Elements. These data packets would be pre-approved by HCD and would contain the necessary data needed for jurisdictions to prepare their Housing Needs Assessments, as well as an analysis of Accessory Dwelling Units (ADU) in each jurisdiction. This proposal will officially be brought to the Fresno COG Board, Policy Advisory Committee (PAC), and Transportation Technical Committee (TTC) in September, and these two tasks will begin early 2022 once Fresno COG staff is finished drafting the RTP/SCS.

Finally, the COG noted two important resources: The first is the Regional Early Action Planning Grant Program funding. The COG awarded an initial round of these funding grants earlier in 2021, and another round will occur either later in 2021 or in early 2022. These funds can be used for housing planning and temporary staffing. The second resource for Regional Early Action Planning (REAP) is the

Valley-wide Technical Assistance Program for Regional Action Planning. The COG currently has four consultants available to assist with technical planning needs and encourages member jurisdiction staff to use the [online request form](#) for questions or to request assistance developing a scope and/or budget for a request for proposals (RFP). HCD also provides a sample RFP for housing elements and other resources on their [Housing HUB website](#).

## **JUNE MEETING REVIEW**

Subcommittee Meeting #4 was briefly summarized and Subcommittee members and other attendees were referred to the [Project Website](#) where the Slides and Summary for Meeting #4 are posted.

Meeting #4 resulted in a preferred base allocation, which combines the jurisdictions' share of population growth from 2020 to 2050 (including jurisdiction Spheres of Influence) and 2021 existing population (without the SOI) into one base allocation using equal 50% weights. Meeting #4 also resulted in the set of preferred adjustment factors being narrowed down from eleven to the following six factors:

Preferred Factor 1: Percent of non-vacant housing units

Preferred Factor 2: TCAC Opportunity Score

Preferred Factor 3: Current regional share of jobs (2020)

Preferred Factor 4: Regional share of projected job growth (2020 - 2035)

Preferred Factor 5: Percent of unconstrained land

Preferred Factor 6: Growth over the previous eight-year period

Subcommittee Members indicated an initial preference for three factor weighting combination options during Meeting #4. The first option applies a higher weight to the non-vacant units factor, the second option emphasizes both jobs factors, and the third weighting combination averages the results from the first two factor weighting options. All three options are described in detail in the next section along with a fifth potential option to consider, introduced by Fresno COG staff.

## **ADJUSTMENT FACTORS AND WEIGHTS**

PlaceWorks facilitator summarizes the five statutory objectives required in the 6<sup>th</sup> cycle RHNA, as well as regional priorities from the Fresno COG RTP/SCS Draft Policy Element Outline that pertain to the RHNA process. Each of the six preliminarily preferred factors are summarized and reviewed in terms of which RHNA objectives or regional priorities each factor supports. Five of the six preferred factors were found to support RHNA objectives and/or regional priorities. Growth over the previous eight-year period was the only factor not found to advance any RHNA objective or regional priority.

PlaceWorks facilitator then summarizes the three options for factor weighting discussed during Subcommittee Meeting #4, and introduces a new option for consideration, which applies a slightly higher weight to unconstrained lands, and does not apply weight to the previous eight-year growth factor. These are summarized below:

**Methodology Option 4.4** — Vacancy: 35%, TCAC Score: 20%, Regional Share of Jobs (2020): 10%, Regional Share of Projected Job Growth (2020-2035): 10%, Constrained lands: 20%, Previous 8-Year Growth: 5%

**Methodology Option 4.7** — Vacancy: 20%, TCAC Score: 20%, Regional Share of Jobs (2020): 25%, Regional Share of Projected Job Growth (2020-2035): 15%, Constrained lands: 10%, Previous 8-Year Growth: 10%

**Factor weighting option representing the average of the first two factor weighting options (options 4.4 and 4.7)** — Vacancy: 27.5%, TCAC Score: 20%, Regional Share of Jobs (2020): 17.5%, Regional Share of Projected Job Growth (2020-2035): 12.5%, Constrained lands: 15%, Previous 8-Year Growth: 7.5%

**New: Factor weighting option slightly emphasizing unconstrained lands and omitting previous eight-year growth** — Vacancy: 15%, TCAC Score: 20%, Regional Share of Jobs (2020): 20%, Regional Share of Projected Job Growth (2020-2035): 20%, Constrained lands: 25%, Previous 8-Year Growth: 0% (omitted)

## **DISCUSSION**

PlaceWorks opens the discussion, encouraging Subcommittee members to focus the discussion on which factors and weights best support RHNA objectives and regional priorities.

**Comment (City of Fresno):** The Non-vacant units factor supports the regional objective to concentrate growth in urban areas, while TCAC best supports the Environmental Justice and AFFH RHNA objectives. Option 4.4 is the best option for those reasons.

**Comment (City of Clovis):** All four options consider the TCAC score at 20%, resulting in an allocation that impacts Clovis to an unreasonable extent because the way the TCAC score is calculated results in Clovis being an outlier compared to other jurisdictions. Clovis would like to explore either changing the percentage weight, putting caps on the extent to which the outlier nature can impact any jurisdiction, or calculating the TCAC score using a different method (e.g., percentage of housing units within high opportunity areas).

**Facilitator Comment:** PlaceWorks summarized that both the City of Fresno and the County of Fresno want to weight non-vacant units highly, the COG proposes weighting the 8-year growth share at zero, and Clovis proposes putting less weight on the TCAC score.

**Preliminary Polling:** A preliminary straw poll indicated that four Subcommittee members (29%) preferred weighting option 4.4, five members (36%) preferred weighting option 4.7, two members (14%) preferred the weighting option that averages options 4.4 and 4.7, and three members (21%) preferred the new option, 5.1.

**Previous 8-Year Growth Factor:** Fresno COG staff asked the group if anyone has arguments in favor of continuing to include share of previous 8-year growth? The County representative responded that this factor was included to capture a measure of growth that was not a projection into the future, since some members found that projections tended to be inaccurate.

**TCAC Factor:** Members of the public expressed that the weight used for the TCAC score should not be reduced nor should Clovis's allocation, because Clovis is currently facing a legal challenge for not meeting prior RHNA numbers in Fresno County superior.

**Preliminary Polling:** PlaceWorks facilitator proposed using the average set of weights and moving forward from there, since there was an even split of straw poll votes between option 4.4, option 4.7, and the average of the two. Another straw poll was taken asking Subcommittee members to vote yes or no if they are okay with moving forward with the even split option averaging weighting options 4.4 and 4.7. Nine subcommittee members (64% of votes) agreed with the idea of moving forward with the average of weighting options 4.4 and 4.7. Five members (36% of votes) did not feel comfortable moving forward with this option.

**Comment (City of Fresno):** The City of Fresno was supportive of including 8-year growth in the base allocation because it is a good indicator of which jurisdictions have grown recently but, we are fine with giving this score a low weight.

**Comment (HCD):** HCD advised against applying too much weight to the previous 8-year growth factor because this factor measures population growth rather than housing production but confirmed that there is no statute that precludes the use of this factor and that if the RHNA objectives are otherwise shown to be demonstrated, this factor can be included in the methodology.

**Preliminary Polling:** Another straw poll was taken that omitted the recently introduced weighting option 5.1. This poll also resulted in an almost even split between option 4.4 (5 members), option 4.7 (4 members), and the average option (5 members). PlaceWorks compared the resulting allocations side by side and explored several other weighting combinations with the TCAC factor weighted at 15% instead of at 20%.

**TCAC Factor:** The Subcommittee member representing Leadership Counsel and a member of the public requested that the TCAC score weighting be restored to 20%. The Building Industry Association representative requested that something be done regarding the fact that Clovis has an outlier TCAC score compared to other jurisdictions in the region. The COG and the City of Clovis agreed to explore alternative methods of calculating TCAC scores by jurisdiction.

**Preliminary Polling:** A final straw poll was conducted comparing the following weighting options discussed in meeting 5, which are therefore labeled 5.X:

	Non-Vacant Units	TCAC Opportunity Score	Regional Share of Jobs (2020)	Regional Share of Projected Job Growth (2020 – 2035)	% of Unconstrained Land	Growth Over Previous 8-Year Period	Poll Results
<b>Option 5.1</b>	27.5%	20%	17.7%	12.5%	15%	7.5%	5 (38%)
<b>Option 5.2</b>	32.5%	15%	17.5%	12.5%	15%	7.5%	2 (15%)
<b>Option 5.3</b>	35%	15%	17.5%	12.5%	15%	5%	2 (15%)
<b>Option 5.4</b>	35%	15%	15%	10%	20%	5%	1 (8%)
<b>Option 5.5</b>	35%	20%	15%	10%	15%	5%	3 (23%)

The Subcommittee was also polled on whether they prefer to reduce the weight for the TCAC score from 20% to 15% (yes/no). The results were split roughly in half, with six Subcommittee members choosing to reduce the TCAC weight to 15% and seven Subcommittee members choosing to keep the TCAC weight at 20%. Fresno COG staff proposed a compromise in which the weight for TCAC would be set to 18%.

A tentative consensus was reached for the following weighting ranges for each factor which will continue to be considered by the Subcommittee at meeting 6:

- Percent Non-Vacant Units: 35%
- TCAC Opportunity Score: 15%-20%
- Jobs Factors (Regional Share of Jobs (2020) and Regional Share of Projected Job Growth (2020-2035): 20%-30%
- Percent of Unconstrained Land: 15%-20%
- Growth Over Previous 8-Year Period: 5%

## **REVIEW INCOME SHIFT ALLOCATION TOOL**

The income-shift method for allocating units by income tier to each jurisdiction was introduced during Subcommittee Meeting #2 and was the same approach used by the Fresno COG region during the 5<sup>th</sup> Cycle.

The Income-shift approach applies an adjustment factor of 100% or more, which determines the extent to which each jurisdiction's allocation of units by income tier will match the regional distribution for the current RHNA cycle or move all jurisdictions toward a more even distribution of units by income tier overall. An adjustment factor of 100% means the jurisdiction's distribution of allocated RHNA units would be equal to percent distributed to the region in each income tier (i.e. 27% of each jurisdiction's overall allocation would be for the Very Low-income tier, equal to the 27% of units assigned to the region as Very Low-income). As the adjustment factor increases, each jurisdiction's allocation of units by income tier will change depending on how much higher or lower the jurisdiction's existing distribution of units in that income tier is, compared to the regional average. For example, the existing regional average of units in the Very Low-income tier is 25.9%. A jurisdiction with only 15% of existing units in the Very Low-Income tier would receive an allocation greater than 27%, while a jurisdiction with an existing distribution of 35% of units in the Very Low-income tier would receive an allocation lower than 27%. HCD recommends the adjustment factor be set at a minimum of 150%.

There are other options, for example, the ABAG methodology known as the 'bottom-up' approach, which uses one set of factors to allocate very low- and low- income units, and another set of factors to allocate moderate- and above moderate-income units. The Subcommittee had not expressed opposition to the income-shift approach during Meeting #2 when it was introduced, however, other options were not explored in detail. A straw poll was taken asking Subcommittee members whether they would like to explore other methodology options for distributing units by income tier. Twelve members voted to continue with the Income Shift approach, and one Subcommittee member voted to explore other options like the bottom-up approach. Therefore, the methodology will move forward with the income-shift approach to distribute units by income tier for each jurisdiction.

## **NEXT STEPS**

Subcommittee Meeting #6 will be held on September 23rd to finalize the preferred set of allocation factors and weights. PlaceWorks will explore other methods of calculating the TCAC score in preparation for Meeting #6. In addition to finalizing the preferred set of factors and weights, Subcommittee Meeting #6 will be focused on choosing an income-shift adjustment factor.