

2006-2013 Regional Housing Needs Allocation Adjustment

Rancho Cordova Sphere of Influence (February 3, 2009)

This document summarizes the issues, background documents, and staff's recommendation regarding the adjustment to the 2006-2013 Regional Housing Needs Allocation (RHNA) based on the potential annexation of the Rancho Cordova Sphere of Influence (SOI).

I. BACKGROUND

Sphere of Influence: As shown in the attached map, the City's SOI consists of approximately 820 acres, beginning at the southwest corner of the intersection of Folsom Boulevard and Sunrise Boulevard and extending up Folsom Boulevard to Hazel Avenue. The City of Rancho Cordova has submitted an annexation application to Sacramento LAFCo and believes that this area will be annexed to the City within the current 2006-2013 RHNA cycle.

Historical Timeline: During the RHNA process, SACOG met with all cities and counties that anticipated a change of organization during the 2006-2013 RHNA cycle. The purpose of these meetings was to establish the number of units that would be assigned to each SOI area, and the jurisdiction that would be responsible for demonstrating sufficient capacity for these units in its 2008 housing element update. As part of this overall RHNA process, the City of Rancho Cordova, Sacramento County, LAFCo, and SACOG began meeting regarding the RHNA allocation to the SOI area in August 2007. Unfortunately, the City and County were unable to agree, prior to the adoption of the final Regional Housing Needs Plan, on the timing of annexation or the number of units to be transferred in the event of annexation.

Based on this disagreement, and at the request of the County, SACOG did not assign any housing units to the City in the final Regional Housing Needs Plan based on the SOI area. Instead, as requested by the County in its letter dated September 11, 2007, the housing units assumed for development in the SOI area during the 2006-2013 planning period were assigned to the County. SACOG agreed that, in the event of future annexation, the parties could submit the dispute to SACOG for determination, should they be unable to reach a negotiated settlement regarding the number of units to be transferred.

Following the adoption of the final Regional Housing Needs Plan in February 2008, SACOG staff met with the City and County several times in an attempt to negotiate an agreement as to the number of units to be transferred in the event of annexation. Unfortunately, no settlement could be reached. On July 9, 2008, the City of Rancho Cordova formally requested that SACOG determine the number of units to be transferred, as required by Government Code section 65584.07 (d).

State Law: Under current state law, the City and County must agree upon a number of housing units to transfer from the County to the City in the event of annexation. (Gov. Code, § 65584.07

(d.) If the two jurisdictions are unable to agree on the number of housing units to be transferred as a result of annexation, either jurisdiction may request that the Council of Governments make the determination. (Gov. Code, § 65584.07 (d).) Once a formal request has been submitted, the Council of Governments has six months to make its final determination. In making its determination, the Council of Governments must “consider the facts, data and methodology presented by both parties.”

After SACOG received the City’s formal request for a determination, SACOG staff requested that both the City and the County submit any facts, data, or methodology for SACOG’s review and consideration in making this determination. As required, SACOG staff has reviewed this information, as attached hereto.

Since July, 2008, SACOG staff and legal counsel also have continued to meet with representatives from the City and County to attempt to reach a negotiated compromise. Both jurisdictions agreed to extend the statutory deadline for SACOG to make this determination, thereby allowing additional time for the jurisdictions to work toward a negotiated compromise. Unfortunately, no negotiated compromise could be reached, and SACOG must now make the final determination.

II. SACOG STAFF RECOMMENDATION & ANALYSIS

SACOG staff weighed the evidence provided by both parties and consulted with the California Housing and Community Development Department (HCD) and Sacramento LAFCo prior to formulating its recommendation.

Recommendation

Based upon this information and the original allocation methodology that SACOG used in its final adopted Regional Housing Needs Plan, SACOG staff recommends that, in the event of annexation during the 2006-2013 planning period, 37 units should be transferred from Sacramento County to the City of Rancho Cordova for the Sphere of Influence Area. The income distribution for these units should be as follows:

Very Low Income Housing: 8 units (21.6%)
Low Income Housing: 6 units (16.2%)
Moderate Income Housing: 7 units (19%)
Above Moderate Income Housing: 16 units (43.2%)

Analysis

During the 2006-2013 RHNA process, SACOG’s methodology assumed 37 units for anticipated development in the Rancho Cordova SOI area. As explained further below, this allocation is the basis for staff’s current recommendation that responsibility for 37 units be transferred to the City in the event of annexation during the 2006-2013 RHNA cycle.

MTP and RHNA Allocations: The calculations made for the Metropolitan Transportation Plan (MTP) served as the starting point and basis for the 2006-2013 RHNA projections. Based upon information provided by each jurisdiction regarding anticipated development, the MTP calculations reflect the development that is most likely to occur during the planning period, and serve as the basis for the long-term growth forecasts for the region, including an assessment of the anticipated growth in each jurisdiction and SOI area.

SACOG worked directly with each jurisdiction to develop growth projections for the MTP for the 2005-2013 period. Each jurisdiction provided data on their growth projections for this timeframe based on the MTP. Key factors considered in the MTP calculations included: jobs and housing relationship; infrastructure capacity; land suitability; local agency policies; market demand; and other factors that affect growth.

The MTP projections were used to determine each jurisdiction's share of the region's growth between 2005 and 2013. The overall allocation of housing units assigned to the region by HCD was then allocated to each jurisdiction based on its share of the overall regional growth predicted between 2005 and 2013. This calculation resulted in the overall total number of units a jurisdiction received in the RHNA.

During the RHNA process, SACOG also determined the amount of growth assumed for the sphere of influence areas in jurisdictions that anticipated annexation during the 2006-2013 RHNA cycle. SACOG met with the City of Rancho Cordova, Sacramento County and LAFCO in August 2007 to discuss the number of units assumed for Rancho Cordova's SOI area. Based on the MTP growth predictions, SACOG assumed 52 housing units to the SOI area. At the August 2007 meeting, the County suggested that there was the potential for 1,500 units of high-density development within the SOI area. Based on traffic conditions in the area and other infrastructure issues, SACOG staff did not alter its assumptions for the SOI area, as there was no evidence that such high-density development projects would be developed during the 2006-2013 RHNA cycle. SACOG also explained to County staff that the assignment of 1,500 units to Rancho Cordova's SOI area would not result in a reduction of the units assigned to other areas in the County or to the County generally, but would only result in the County assuming responsibility for a larger portion of the overall regional allocation.

The allocations for the SOI areas were enumerated in the draft Allocation Plan presented to the SACOG Board of Directors in November 2007. This draft Allocation Plan reflected that 52 units were identified for the Rancho Cordova SOI area. Following publication of the draft Allocation Plan, the passage of Senate Bill 1259 reduced the region's overall housing allocation by approximately 30%. This resulted in a 30% reduction to the allocations to each jurisdiction. Based on this overall reduction, the 52 units assumed for Rancho Cordova's SOI area were reduced to 37 units.

Additional Evidence Submitted by the City and County: As explained above, after the SACOG Board adopted the 2006-2013 Regional Housing Needs Plan in February 2008, SACOG staff continued to meet with the City and County to address this issue. Unfortunately, the parties were unable to agree upon the number of units to be transferred in the event of annexation and

requested that SACOG make the final determination. Both jurisdictions had the opportunity to provide any facts, data, or methodology for determining the number of units to be reallocated.

Having reviewed all of the information provided by both jurisdictions, staff does not find sufficient evidence to modify the number of units assumed for the SOI area in the adopted methodology for the Final Regional Housing Needs Plan. Given that a larger number of units was not assumed in the SOI area, and given the remaining infrastructure obstacles, including sewer, water, and road capacity, SACOG staff found no basis to modify its assumptions regarding the number of units assumed for the SOI area in the Final Regional Housing Needs Plan.

III. FACTS, DATA, AND METHODOLOGY PRESENTED

Pursuant to Government Code section 65584.07, the City and County both had an opportunity to provide facts, data, and a proposed methodology regarding the reallocation of housing units.

The City's submission requested that SACOG consider the following factors in determining the number of housing units to be reallocated:

- The Blueprint and MTP projected build out rates for the City of Rancho Cordova's SOI Area.
- The income distribution of the units assigned to Rancho Cordova during in the final Regional Housing Needs Plan.
- Current Economic conditions and development constraints when evaluating the potential for accommodating housing units in the SOI during this RHNA cycle.
- The potential for rezone programs for high-density projects in light of HCD's strict review guidelines and realistic maximum densities.
- A comparison of the ratio of RHNA units to vacant and/or available acres in the overall County with the ratio of RHNA units to vacant and/or available acres in the SOI area.

As reflected in the documents below, the City provided facts and data on each of these issues. Similarly, Sacramento County submitted information regarding its current planning activities in the SOI area, including:

- Rezoned acreage neighboring the Sunrise Light Rail Station
- The Sunrise Station Special Planning Area
- The Point East Towers Application
- The Westborough Station Application
- Recent Zoning Code Amendments

As explained above, given that a larger number of units was not assumed in the SOI area, and given the remaining infrastructure obstacles to development in the SOI area, including sewer, water, and road capacity, SACOG staff found no basis to modify its assumptions regarding the number of units assumed for the SOI area in the Final Regional Housing Needs Plan.