



DATE: July 20, 2021

TO: Mayor and City Council

FROM: Assistant City Manager/Development Services Director
Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute an Agreement with Rincon Consultants in an Amount Not-to-Exceed \$599,565 to Prepare General Plan Updates and Amendments Related to the Housing Element, Climate Action Plan, Environmental Justice and the Safety Element and Related Environmental Analysis

RECOMMENDATION

That the Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an agreement with Rincon Consultants to prepare General Plan updates and amendments related to the Housing Element, Climate Action Plan, Environmental Justice and Safety Element and related environmental analysis.

SUMMARY

Every eight years, the State Department of Housing and Community Development projects the housing need at varying income levels throughout the State. The Association of Bay Area Governments (ABAG) is responsible for allocating those housing units, which is referred to as the Regional Housing Needs Allocation (RHNA), throughout the nine-county Bay Area. In May 2021, ABAG released the Draft Regional Housing Allocation Plan, and a total of 4,624 units were allocated to Hayward. In conjunction with the release and allocation of the RHNA, State Law requires local jurisdictions to update their Housing Elements to meet various statutory requirements in addition to showing adequate sites to accommodate the RHNA. Further, State Law requires an update to the Safety Element and that issues of Environmental Justice be addressed with this Housing Element Update.

This Housing Element, Safety Element and Environmental Justice Update effort is being combined with an update of the Climate Action Plan because issues of housing, environmental justice, safety and hazard planning and climate change are inextricably linked. Staff believes that conducting outreach and planning for all of these efforts simultaneously will result in a more comprehensive and holistic approach to these issues. Further, combining these efforts will result in cost and time efficiencies related to outreach, environmental analysis and adoption and implementation efforts.

Staff from the Planning, Housing and Environmental Services divisions have recommended selection of Rincon Consultants to lead this effort. The updated Housing Element is due to the State by January 31, 2023.

The total project budget is \$720,000, with approximately \$600,000 funded through a Local Early Action Planning grant provided by the State Department of Housing and Community Development (\$425,000 grant), and with funds from the Public Works Department (\$175,000). This budget also includes a contingency funded by both the Public Works and Development Services Departments.

BACKGROUND

Regional Housing Needs Allocation. Every eight years, the State Department of Housing and Community Development projects the housing need for the State as a whole, which is referred to as the RHNA. To determine this calculation, HCD uses demographic population information from the California Department of Finance and develops a formula to calculate a figure for each region/Council of Governments based on projected growth. In more recent cycles, the State tied the housing allocation to transportation funding to promote sustainability goals such as reducing Vehicle Miles Traveled (VMT) between jobs and housing.

In this cycle, the Bay Area was allocated 441,176 units (a 234% increase over the last cycle allocation) with about 26% allocated to Very Low Income, 15% to Low, 16% to Moderate and 43% to Above Moderate-income households.

ABAG Housing Methodology Committee released a Draft Regional Housing Allocation Plan¹ in May 2021. Hayward's draft allocation is 4,624 units, approximately 18% higher than the 2015-2023 allocation. ABAG is slated to adopt the allocations in Fall 2021.

	Very Low Income (<50% of Area Median Income)	Low Income (50-80% of Area Median Income)	Moderate Income (80-120% of Area Median Income)	Above Moderate Income (>120% of Area Median Income)	Total
2015-2023 Hayward Allocation	851	480	608	1,981	3,920
2023-2031 Hayward Allocation	1,075	617	817	2,115	4,624

In this recent allocation, the ABAG Housing Methodology Committee recommended higher numbers of housing units be funneled to High Opportunity and High Jobs Areas. High Opportunity Areas are considered those that have good schools, parks, services like

¹ Draft Regional Housing Allocation Plan 2023-2031. https://abag.ca.gov/sites/default/files/documents/2021-05/ABAG_2023-2031_Draft_RHNA_Plan.pdf

grocery stores. These are places where typically you see very high-income households and it is hard for lower income households to take advantage of the opportunities which accrue just by living in the area. High Jobs Areas (San Francisco, San Jose, Oakland, Fremont, and others) are areas where there are high numbers of jobs so adding housing at various income levels in these communities would reduce vehicle miles traveled for workers.

Housing Element Update. Per State law, every jurisdiction shall update their Housing Element every eight years in conjunction with the RHNA allocation. The City's last Housing Element was adopted on December 2, 2014², and the updated Housing Element for the 2023-2031 cycle will be due January 31, 2023. The Housing Element must include statutorily-required sections related to existing and projected housing needs with special attention to vulnerable populations; a site inventory and feasibility analysis providing an inventory of suitable land for a variety of housing types and income levels; a thorough analysis of potential and actual governmental constraints to development; objective goals for housing development which may align with or exceed the RHNA; programs and policies that affirmatively further fair housing; and timeframes for implementation plan to allow the City to achieve goals and objectives.

Climate Action Plan. Hayward's original Climate Action Plan (CAP) was adopted in 2009. The current CAP was incorporated into the Hayward 2040 General Plan, which was adopted in 2014. While the current CAP includes greenhouse gas (GHG) reduction goals through 2045, it only identifies the policies and programs necessary to meet the 2020 goal. The 2020 goal, a 20% reduction below 2005 levels, was achieved in 2018. The Strategic Roadmap calls for the adoption of a 2030 GHG reduction goal and roadmap.

On June 16, 2020³, Council introduced and on June 23, 2020⁴, Council adopted an ordinance amending Hayward's Climate Action Plan and General Plan to include the following goals:

- reduce emissions by 30% below 2005 levels by 2025
- reduce emissions by 55% below 2005 levels by 2030
- work with the community to develop a plan that may result in the reduction of community based GHG emissions to achieve carbon neutrality by 2045.

Environmental Justice & Safety Element Updates. In 2016, the California legislature adopted Senate Bill (SB) 1000⁵ requiring local jurisdictions to review and update Safety Elements of the General Plan to address and update hazards related to flooding, fires and to include climate adaptation and resilience strategies. Further, SB 1000 added the topic of

² Hayward 2015-2023 Housing Element. Adopted December 2, 2014. <https://www.hayward-ca.gov/sites/default/files/Housing%20Element%20FINAL%20Adopted.pdf>

³ Amending the 2040 General Plan and Adoption of Ordinance to Comply with State Law Changes to Establish Vehicle Miles Traveled (VMT) Thresholds & Updates Greenhouse Gas Emissions (GHG) Reduction Targets. June 16, 2020 City Council Meeting. <https://hayward.legistar.com/LegislationDetail.aspx?ID=4568609&GUID=46FF5863-9294-4217-9119-9631D7A2BB6F&Options=&Search=>

⁴ Second Reading of VMT Thresholds and GHG Emission Reduction Targets Ordinance. June 23, 2020 City Council Meeting. <https://hayward.legistar.com/LegislationDetail.aspx?ID=4576651&GUID=4E2F5527-D216-4472-BB79-5D9A37A41AE8&Options=&Search=>

⁵ Senate Bill 1000. https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1000

Environmental Justice to be addressed in local jurisdictions' General Plans as a separate Element or addressed through related goals, policies and objectives within other Elements.

In adopting this legislation, the State found that low-income communities and communities of color have experienced disproportionate environmental effects, pollution burdens and related health impacts⁶. As a result, these communities face barriers to overall health, livelihood, and sustainability. Based on State guidance, Environmental Justice-related work must disclose and work to reduce the disproportionate health risks in disadvantaged communities, to promote civic engagements in the decision-making process and to prioritize improvements that address the needs of identified "disadvantaged communities."

LEAP Grant. On May 19, 2020, the Council adopted Resolution No. 20-054 authorizing the City Manager to apply for a Local Early Action Planning (LEAP) Grant to fund the Housing Element and related General Plan Element Updates. On May 21, 2021, the City and State entered into an Agreement to fund the work outlined in the LEAP Grant application, with a total of \$425,000 allocated to the Housing Element and related General Plan Updates effort.

Request for Proposals. On May 28, 2021, the City released a detailed RFP to conduct a Housing Element, Climate Action Plan, Environmental Justice & Safety Element Update and related environmental analysis⁷. The City received proposals from two firms: Rincon Consultants Inc. and Ascent Environmental Inc. A committee of Planning, Environmental Services and Housing staff reviewed the proposals and interviewed both firms before determining that Rincon Consultants is the preferred candidate to complete the work. Rincon Consultants's Scope of Work and Proposed Budget are attached to this staff report as Attachment III.

Staff found that Rincon Consultants has a strong and experienced team both in preparation of Housing Element, Climate Action Planning and environmental justice work; a strategy to address equity issues by establishing guardrails through which all programs, policies would be vetted; a commitment to creating a flexible and far-reaching outreach program by creating small grants for local community groups that can conduct outreach using tool kits and helping to organize and run meetings; and, that Rincon Consultants is equipped to prepare defensible environmental analysis for the project. Overall, staff felt that Rincon Consultants was experienced and had the staffing and expertise to lead this effort within the required budget and timeframe.

DISCUSSION

⁶ State of California Department of Justice. SB 1000 Environmental Justice in Local Land Use Planning. <https://oag.ca.gov/environment/sb1000>

⁷ Hayward Housing Element, Climate Action Plan and Related General Plan Update Request for Proposals. <https://www.hayward-ca.gov/your-government/rfps/2123%E2%80%900052821-housing-element-climate-action-plan-environmental-justice-safety>

A comprehensive update to the Housing Element was an identified project in the City's Workplan to Incentivize Housing Production adopted by the Council on March 3, 2020⁸, and the Strategic Roadmap adopted by the Council on January 28, 2020⁹ and updated on June 1, 2021¹⁰. Both of these Plans call out completion of the Housing Element and updates to housing related programs and policies as a major effort in the coming year and a half. This effort is being combined with the Climate Action Plan Update because issues of housing, environmental justice, safety and hazard planning and climate change are inextricably linked. Staff believes that conducting outreach and planning for all of these efforts simultaneously will result in a more comprehensive and holistic approach to these issues. Further, combining these efforts will result in cost and time efficiencies related to outreach, environmental analysis and adoption and implementation efforts.

In addition to fulfilling statutory requirements as detailed in the Background section above, this effort will center racial equity. As detailed in the grant materials and in the RFP prepared for this project, the research, outreach, and preparation of these documents shall center racial equity from the earliest phases to the implementation of this project. A racial equity lens will be applied to the existing Housing Element and Climate Action Plan and the City will work with the community, consultant, and decision makers to establish guardrails against which all work will be conducted to ensure equitable outreach and outcomes for all in the areas of housing policy and planning as well as environmental justice and climate action planning.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priorities to Preserve, Protect and Produce Housing and Combat Climate Change. Specifically, this item relates to implementation of the following project(s):

- Preserve, Protect and Produce Housing – Project 9, Update the Housing Element Plan
- Combat Climate Change – Project 4, Adopt & Implement 2030 GHG Goal & Roadmap

FISCAL IMPACT

Rincon Consultant's proposed budget is \$599,565, which can be covered by the City's allocated budget of \$600,000 for the project. Of that total, \$425,000 will come from the HCD LEAP grant to cover the Housing Element, Environmental Justice, and Safety Element Updates, and \$175,000 will come from Public Works – Environmental Services to fund the Climate

⁸ Workplan to Incentivize Housing Production. March 3, 2020 City Council Meeting.
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4345462&GUID=5E3353DD-0839-4361-AED3-B7EB4102CBE3&Options=&Search=>

⁹ Strategic Roadmap. January 28, 2020 City Council Meeting.
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4315589&GUID=1F328D58-C3FC-41E5-8BF7-A17E4E09DDCB&Options=&Search=>

¹⁰ Adoption of Updated FY21-23 Strategic Roadmap. June 1, 2021 City Council Meeting.
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4968961&GUID=22D0F57F-B982-4566-8DA6-CE2854247AB0&Options=&Search=>

Action Plan. The Public Works portion will be paid from a combination of Recycling, Water, and Sewer Funds and will not impact the City's General Fund. The budget also covers environmental analysis for the project as a whole.

Staff recommends that a 20% contingency (\$120,000) be added to the overall budget, bringing the total budget to \$720,000. The \$120,000 contingency will be split proportionally between DSD and PW with \$85,000 from DSD and \$35,000 from PW. There is currently adequate funding for DSD's \$85,000 contingency in the Planning Policy Fund which is collected as a small cost added to each building permit to fund large-scale policy initiatives such as these.

NEXT STEPS

If Council approves the attached resolution, staff will prepare an Agreement to be executed between the City of Hayward and Rincon Consultants in a form approved by the City Attorney and hold a kick-off meeting in August 2021.

Prepared by: Leigha Schmidt, Acting Principal Planner
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Recommended by: Jennifer Ott, Assistant City Manager/Development Services Director
Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager