



Draft RHNA Methodology and Final Subregional Shares

ABAG Executive Board
January 21, 2021

Approval of Proposed RHNA Methodology

- Housing Methodology Committee worked collaboratively from October 2019 to September 2020 to recommend a proposed methodology for allocating units throughout the Bay Area in an equitable manner
- **September 18:** HMC voted to recommend *Option 8A: High Opportunity Areas Emphasis & Job Proximity* with the 2050 Households baseline allocation as Proposed RHNA Methodology
- **October 1:** ABAG Regional Planning Committee voted to recommend Proposed RHNA Methodology for approval by ABAG Executive Board
- **October 15:** Executive Board approved Proposed RHNA Methodology and released for public comment
- **October 24 - November 27:** public comment period, including public hearing held on November 12

Initial Staff Recommendation for Draft RHNA Methodology

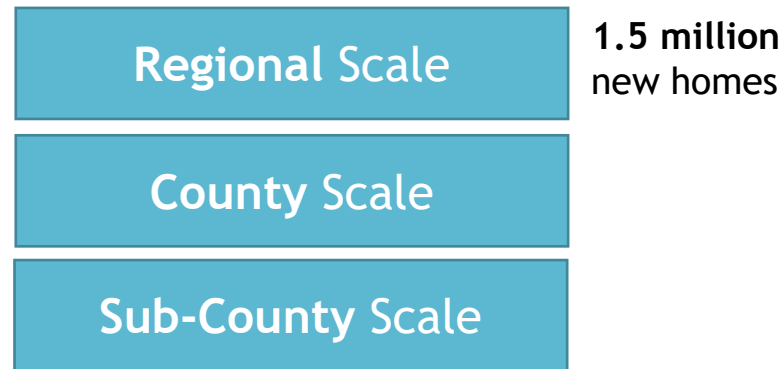
- Staff considered public comments and did not recommend adjustments to RHNA methodology; integration of the Plan Bay Area 2050 Final Blueprint baseline data addresses some of the issues raised in public comment period.
- Recommended baseline, factors and weights remain the same as the Proposed RHNA Methodology.
- Whereas illustrative allocations from Proposed RHNA Methodology used baseline allocation data consistent with the Plan Bay Area 2050 **Draft Blueprint**, the Draft RHNA Methodology integrates Future Year 2050 Households data from Plan Bay Area 2050 **Final Blueprint**.
- The Final Blueprint growth pattern reflects adopted revised Strategies and Growth Geographies approved by the ABAG Executive Board and Commission in September 2020. These strategies emphasized more household growth in transit-rich locations to enable the Bay Area to meet its GHG target from the State.
- Integrating Final Blueprint baseline data into the Draft RHNA Methodology results in changes to the illustrative allocations to local jurisdictions.

Integrating the Final Blueprint & Confirming Consistency



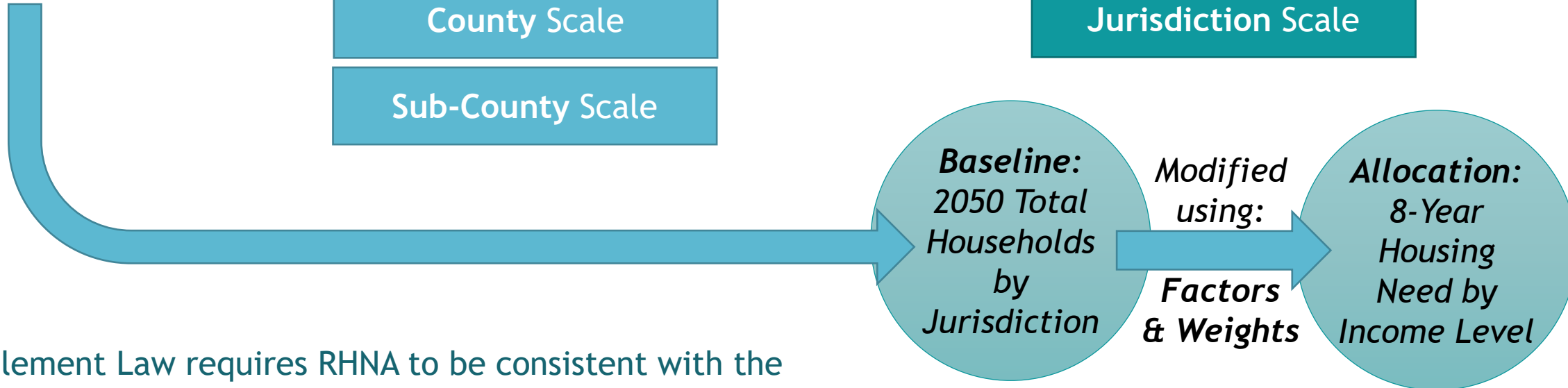
Plan Bay Area 2050
Final Blueprint
Growth Pattern

35-Year Projections (2015 to 2050):



Regional Housing Needs Allocation
Draft Methodology

8-Year Need Estimates (2023 to 2031):



Housing Element Law requires RHNA to be consistent with the development pattern in Plan Bay Area 2050. Staff’s analysis indicates that the Draft RHNA Methodology achieves this outcome.

What We're Hearing About the Draft RHNA Methodology

- Illustrative allocations from the Draft Methodology exceed the jurisdiction's available infrastructure and potential development capacity.
 - Staff response: RHNA is required to increase housing supply and mix of housing types for all jurisdictions in an equitable manner. In addition, the requirement to affirmatively further fair housing emphasizes increasing access to opportunity and overcoming segregation, which has led to increased allocations for some jurisdictions that have historically had smaller RHNA allocations. By law, ABAG cannot limit RHNA based on existing zoning or land use restrictions and must consider potential for increased residential development under alternative zoning and land use restrictions.

What We're Hearing About the Draft RHNA Methodology

- The Plan Bay Area 2050 Final Blueprint's increased emphasis on directing household growth to transit-rich areas to meet the statutory greenhouse gas target reduces allocations to some job-rich, high-opportunity jurisdictions in Silicon Valley too much while increasing allocations to San Francisco and some East Bay cities too much.
 - Staff response: the Plan Bay Area 2050 Final Blueprint must meet a statutory greenhouse gas reduction target. Additional growth in San Francisco and some East Bay cities with transit-rich and high-resource neighborhoods helps to support critical climate and equity goals. Most of the job-rich Silicon Valley jurisdictions continue to see very high growth rates as a result of their illustrative RHNA allocations.

What We're Hearing About the Draft RHNA Methodology

- Although integration of the Final Blueprint resulted in smaller allocations to most unincorporated areas, there is still some concern the allocations are too high.
 - Staff response: Integration of the Final Blueprint in the Draft Methodology resulted in smaller allocations for most unincorporated counties. ABAG-MTC staff has engaged in dialogue with local government staff in Santa Clara, Solano and Sonoma counties to explore ways to address these concerns. Housing Element Law also includes provisions that allow a county to transfer some of its RHNA allocation to a city later in the RHNA process.

RPC Action: Approve Staff Recommendation with Integration of “Equity Adjustment”

- Responds to public comments supporting the equity adjustment proposed by some HMC members.
- Identifies 49 jurisdictions exhibiting above average racial and economic exclusion using a composite score based on the jurisdiction’s divergence index score (a measure of segregation) and percent of the jurisdiction’s households above 120% AMI.
- Increases lower-income RHNA units to these 49 jurisdictions, if necessary to ensure jurisdiction receives a lower-income unit allocation at least proportional to its share of the region’s total households in 2020.
- Lower-income units are redistributed from remaining 60 jurisdictions.

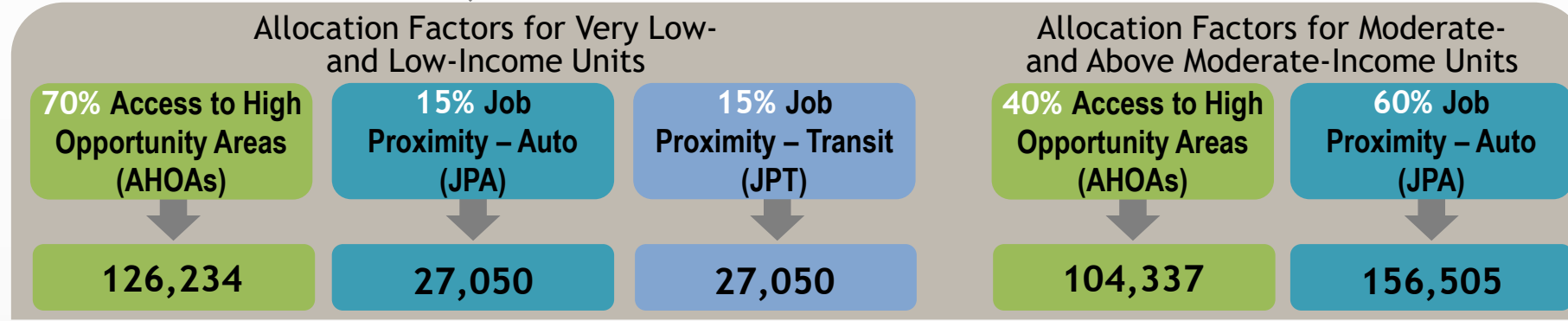
Total Regional Housing Need Determination (RHND) from HCD

441,176

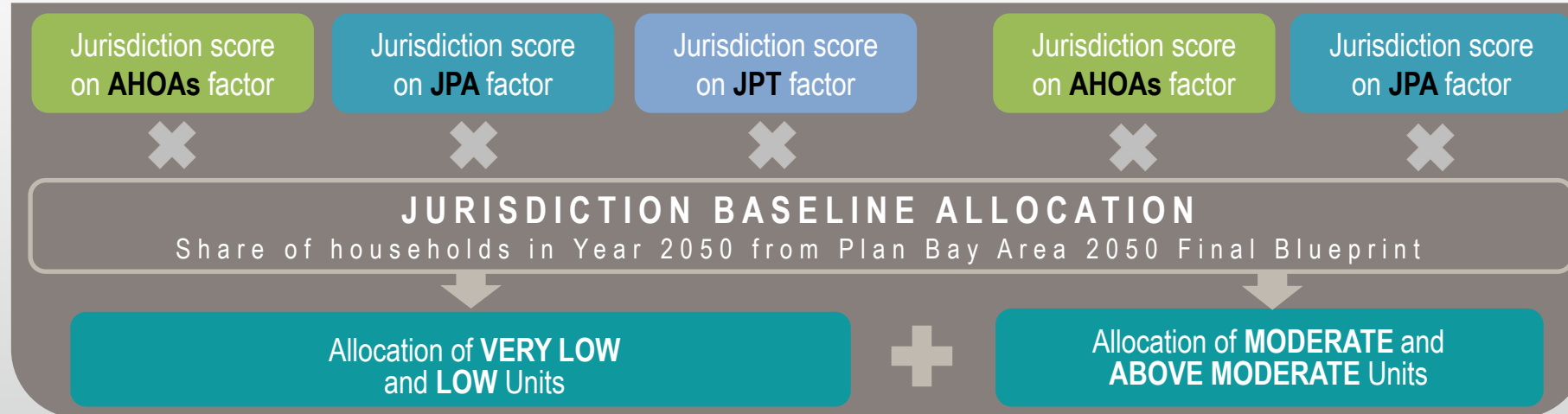
STEP 1:
Group RHND by income



STEP 2:
Factor weight = units allocated by factor



STEP 3:
Calculate jurisdiction's units from each factor



Equity Adjustment redistributes lower-income units to ensure all 49 jurisdictions identified as exhibiting above average racial and economic exclusion receive an allocation of lower-income units that is at least proportional to its share of households in 2020

TOTAL JURISDICTION ALLOCATION

Illustrative Allocations by County

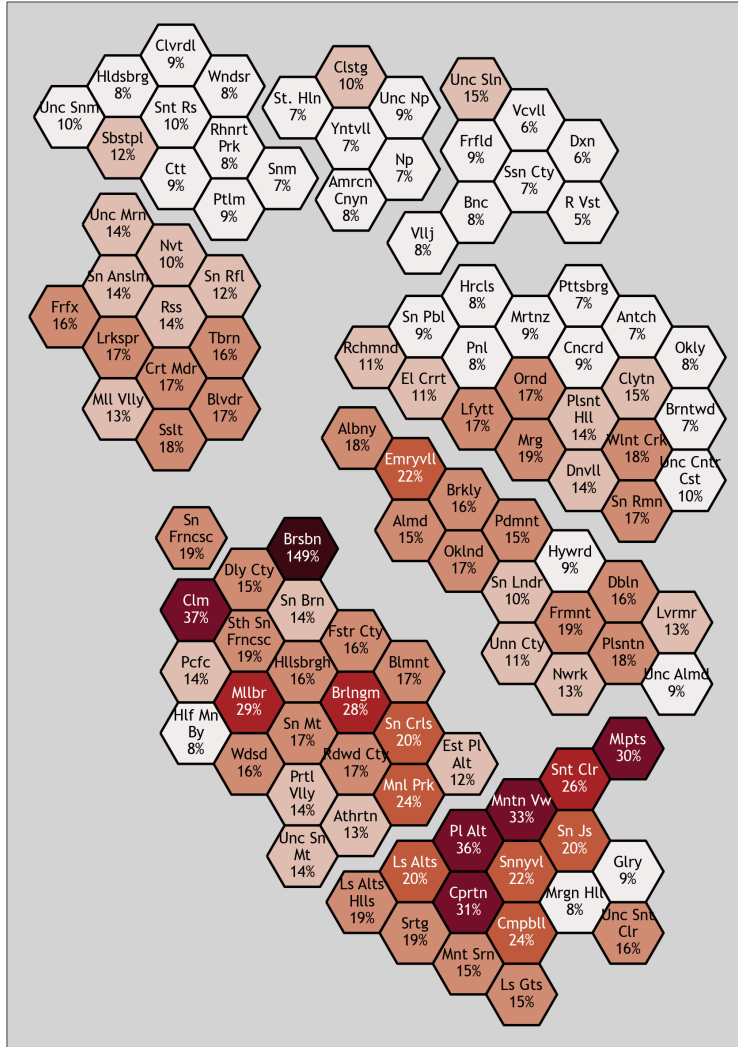
| | Draft RHNA Methodology** (Final Blueprint) | 2015-2023 RHNA (Cycle 5) | Proposed RHNA Methodology (Draft Blueprint) | Draft RHNA Methodology** (Final Blueprint) | Bay Area Households (2020) | Bay Area Jobs (2018) |
|-----------------|--|--------------------------|---|--|----------------------------|----------------------|
| Alameda | 88,999 | 23% | 19% | 20% | 21% | 20% |
| Contra Costa | 49,041 | 11% | 10% | 11% | 14% | 10% |
| Marin | 14,405 | 1% | 3% | 3% | 4% | 3% |
| Napa | 3,843 | 1% | 1% | 1% | 2% | 2% |
| San Francisco | 82,067 | 15% | 16% | 19% | 14% | 19% |
| San Mateo | 47,688 | 9% | 11% | 11% | 10% | 10% |
| Santa Clara | 129,579 | 31% | 33% | 29% | 23% | 27% |
| Solano | 10,992 | 4% | 3% | 2% | 6% | 4% |
| Sonoma | 14,562 | 4% | 4% | 3% | 7% | 5% |
| BAY AREA | 441,176 | 100% | 100% | 100% | 100% | 100% |

* Totals may not sum to 100% due to rounding

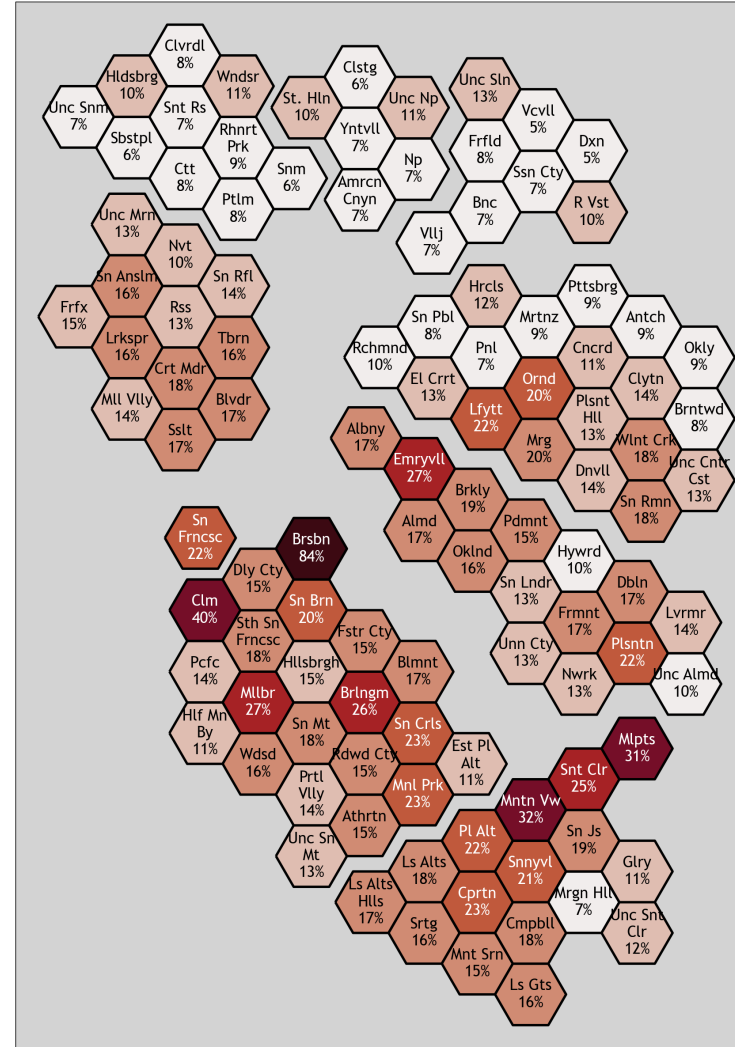
** With Equity Adjustment integrated

Comparison of Illustrative Methodology Results

**Proposed
RHNA
Methodology**
(October 2020)



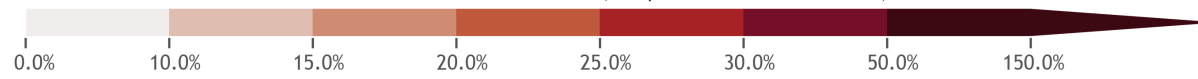
**Baseline:
Draft Blueprint
2050
Households**



**Draft
RHNA
Methodology
with Equity
Adjustment**
(December 2020)

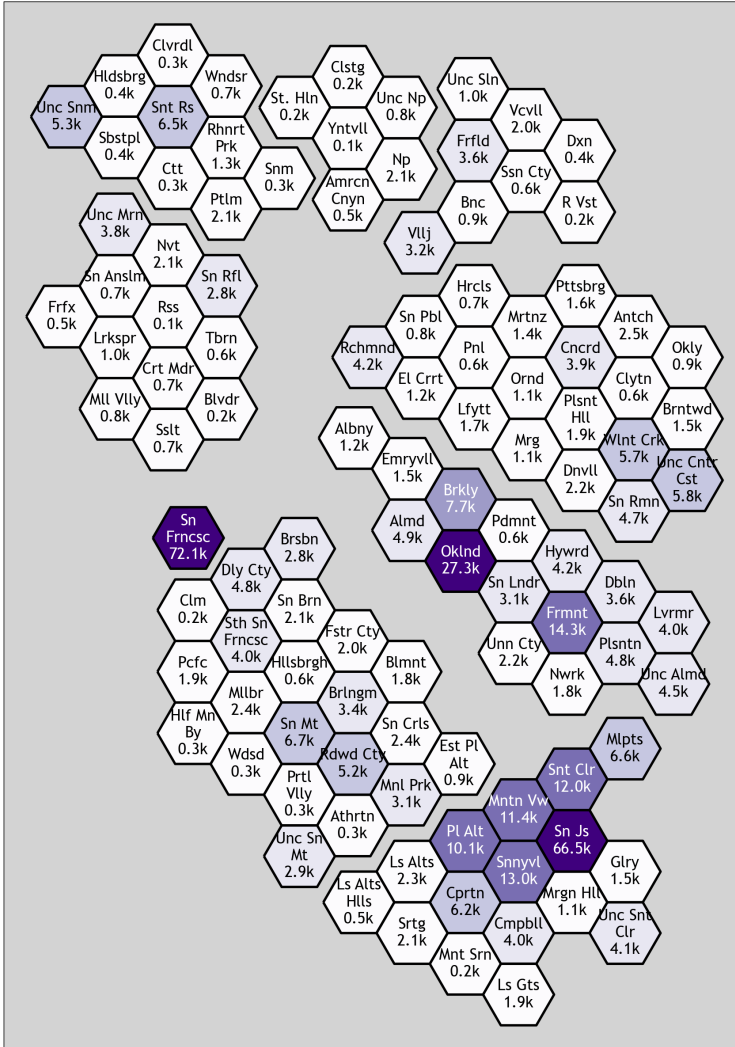
**Baseline:
Final Blueprint
2050
Households**

Jurisdiction Growth Rate (Compared to 2020 Households)

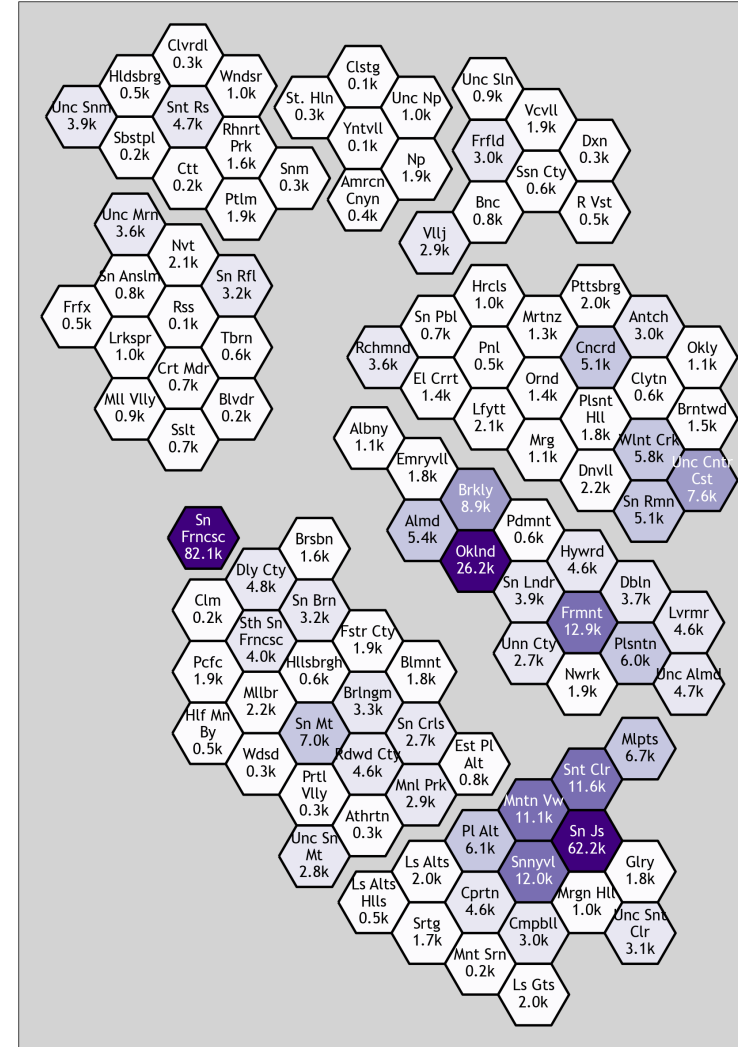


Comparison of Illustrative Methodology Results

**Proposed
RHNA
Methodology**
(October 2020)



**Baseline:
Draft Blueprint
2050
Households**











**Draft
RHNA
Methodology
with Equity
Adjustment**
(December 2020)

**Baseline:
Final Blueprint
2050
Households**

Jurisdiction Growth (Compared to 2020 Households)



Comparison of Performance Metrics Results

| Statutory RHNA Objectives | Proposed Methodology | Draft Methodology |
|--|--|--|
| Objective 1: increase the housing supply and the mix of housing types in an equitable manner |  Achieves objective |  Achieves objective |
| Objective 2: promote infill development, efficient development, and GHG reduction |  Achieves objective |  Achieves objective |
| Objective 3: promote better relationship between jobs and housing, particularly jobs-housing fit |  Achieves objective |  Achieves objective |
| Objective 4: balance existing disproportionate concentrations of income categories |  Achieves objective |  Achieves objective |
| Objective 5: affirmatively further fair housing |  Achieves objective |  Achieves objective |

Final Subregional Shares

- **Purpose:** the share of the Bay Area's Regional Housing Need Determination a subregion must allocate to its member jurisdictions
- **October 15, 2020:** Executive Board releases Draft Subregional Shares for public comment; no comments received
- **December 11, 2020** - Napa Subregion members decide to dissolve subregion
- **December 18, 2020** - Final Subregional Share for Solano Subregion released
- Final Subregional Share for Solano Subregion updated to incorporate equity adjustment:

| Subregion | Very Low | Low | Moderate | Above Moderate | TOTAL |
|---------------|----------|-------|----------|----------------|--------|
| Solano County | 2,803 | 1,612 | 1,832 | 4,745 | 10,992 |

What are the Next Steps in the RHNA Process?

- **Late January/February:** Submission of Draft Methodology to HCD for review after approval
- **Later in 2021:** Final Methodology and Draft Allocations (spring), Appeals Process (summer/fall), Final RHNA Allocations (late 2021)

Supporting Local Jurisdictions

- **Over \$12M in grants available** to assist local jurisdictions to implement Plan Bay Area 2050 and RHNA
 - **Housing Element** grants available to all 109 jurisdictions through the REAP Program via non-competitive and competitive processes
 - **PDA Planning and Technical Assistance** grants via competitive process for jurisdictions with locally nominated PDAs
 - **Single, web-based application** to streamline the process for local jurisdictions to access both PDA and REAP grant funds
- Webinars held in December & January; letters of Intent to MTC/ABAG due February 12, 2021

Requested Actions



Approve submission of Draft RHNA Methodology to Department of Housing and Community Development (HCD) for review

Adopt Final RHNA Subregional Share for Solano Subregion (Resolution 02-2021)

Disband Cycle 6 Housing Methodology Committee (HMC), given completion of RHNA Methodology development process

Thank You

For more information, contact:

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abag.ca.gov/our-work/rhna-regional-housing-needs-allocation