

REGIONAL HOUSING NEEDS ALLOCATION



TO: Housing Methodology Committee

DATE: December 19, 2019

FR: Deputy Executive Director, Policy

RE: Introduction to Factors via HMC's Housing Goals

Overview

The Housing Methodology Committee (HMC) has been convened to advise ABAG staff on the methodology for the 6th RHNA cycle (2022-2030), and to ensure the methodology considers the factors and meets the objectives outlined in Housing Element Law. For reference, **Attachment B** shows the 6th Cycle objectives and factors. Bolded and italicized text in that attachment identifies where requirements have been modified since the previous RHNA cycle due to statutory changes.

At the initial meeting of the HMC, members worked in small groups to identify the housing goals and outcomes they would like to see for the Bay Area as a result of the RHNA process. The next step in developing the allocation methodology will be to translate these themes into factors that would advance the desired outcomes. The paradigm and requirements for RHNA are outlined in Housing Element Law, but development of the methodology offers an opportunity to tailor those requirements to our regional context. Committee members will have to grapple with determining what is "equitable" and finding the right balance in achieving each of the RHNA objectives, which can sometimes appear to be at odds with one another.

Visioning Housing Goals

Attachment C shows committee members' comments about desired goals and outcomes for RHNA, organized by theme. The major themes can be summarized as:

1. Emphasize benefits to the region as a whole
2. Ensure transparency and ease of understanding, make sure people feel heard
3. Get more units built: make sure everyone has a place to live
4. Further social and racial equity
5. Create choices for all, so all communities have access to opportunities
6. Further the jobs-housing fit
7. Use this process as an opportunity to communicate the magnitude of the need for housing

Some of these key themes focus on desired characteristics for the RHNA process and methodology (e.g., transparent, easy to understand), while others identify some of the preferred outcomes for the region that would result from implementation of the RHNA methodology (e.g., further social and racial equity, create choices for all).

The Narrow Scope of RHNA

One of the challenges for HMC members will be to keep in mind the desired outcomes for the Bay Area identified in the visioning while working within the relatively limited scope of the RHNA process. At its core, RHNA is about connecting regional housing needs with the local planning process and ensuring that the many local plans, when taken together, work together to address regional housing challenges. The primary role of the RHNA methodology is to encourage a pattern of housing growth for the Bay Area. The allocation formula assigns units based on relative relationships between jurisdictions within the region. For example, if there is a factor to allocate units based on access to jobs, then a jurisdiction with many jobs will be allocated more units and a jurisdiction with fewer jobs will be allocated fewer units. Given the need to allocate units among the region’s 109 jurisdictions, it can be difficult to address the specific nuances of each community’s local context in the methodology.

Similarly, RHNA does not play a role in identifying specific locations within a jurisdiction that will be zoned for housing, and the RHNA methodology does not dictate which policies a local government will use to meet the housing needs of its residents or specific population groups. Although the HMC may select factors that conceptually assign housing to a particular geography, such as near a transit stop or in proximity to jobs, the resulting allocation from ABAG goes to the jurisdiction as a whole. It is up to local governments to use their Housing Elements to select the specific sites that will be zoned for housing.

Local governments are also responsible for choosing the strategies and policies that are best suited to meeting their community’s housing needs as long as they are consistent with State Housing Element Law. For example, while the RHNA methodology must seek to affirmatively further fair housing, identifying policies to address homelessness or the housing needs of a particular group is beyond the scope of the regional RHNA process. Local governments will include strategies related to these issues when they develop their Housing Elements. HCD and ABAG will provide resources and technical assistance to support local governments as they develop and implement their Housing Elements. The following table distinguishes between the narrow scope of RHNA and the broader requirements for jurisdictions’ Housing Elements:

RHNA	Housing Element
<ul style="list-style-type: none"> • Determines how many new homes each local jurisdiction must plan for in its Housing Element. • Housing allocation is for an entire jurisdiction – housing is not allocated to specific sites or geographies within a jurisdiction. • A jurisdiction’s housing allocation is divided across four income groups: very 	<ul style="list-style-type: none"> • Includes goals, policies, quantified objectives, financial resources, and constraints for the preservation, improvement, and development of housing for all income levels. • Identifies sites for housing and provides an inventory of land suitable and available for residential development, including vacant sites and sites having potential for redevelopment.

<p>low-, low-, moderate-, and above moderate-income.</p> <ul style="list-style-type: none"> Beyond the allocation of housing units by income group, does not address housing needs of specific population groups nor include policy recommendations for addressing those needs. 	<ul style="list-style-type: none"> Provides an analysis of any special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. Must demonstrate local efforts to remove governmental and nongovernmental constraints that hinder the locality from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters. Provides an analysis of existing affordable units at risk of converting to market-rate due to expiring subsidies or affordability contracts. Assesses existing fair housing issues and strategies for affirmatively furthering fair housing.
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Translating Themes into Factors

Over the next several months, ABAG staff will work with the HMC to prioritize the key factors to include in the methodology to advance the desired goals and outcomes identified by the committee. The allocation methodology is a formula that divvies up the Bay Area’s total housing need by quantifying the number of housing units, separated into four income categories, that will be assigned to each city, town, and county to incorporate into its Housing Element. Members of the HMC are tasked with working collaboratively to select the best mix of factors that would result in an equitable distribution of housing need throughout the region. A factor can be used to translate a planning principle or attribute into housing numbers. Factors use data for each jurisdiction in the region about the selected principle or attribute to determine each jurisdiction’s share of the total housing need.

As a starting place, staff has compiled sample RHNA methodologies, including ABAG’s methodology from the previous RHNA cycle (2015-2023) and the draft methodologies developed for the current RHNA cycle by the Sacramento Area Council of Governments (SACOG), San Diego Association of Governments (SANDAG), and Southern California Association of Governments (SCAG) (**Attachment D**). Staff will use these examples to engage HMC members in a discussion of potential factors to include in the methodology and how the methodology should relate to Plan Bay Area 2050. The factors will continue to be refined at future meetings based on considerations of available data sources and decisions about the aspects of a particular factor to emphasize.