

REGIONAL HOUSING NEEDS ALLOCATION



TO: ABAG Executive Board

DATE: December 17, 2020

FR: Executive Director

RE: Summary of Comments Received During RHNA Public Comment Period

Overview

The Regional Housing Needs Allocation (RHNA) is the state-mandated¹ process for allocating a share of the Regional Housing Need Determination (RHND) the Bay Area received from the California Department of Housing and Community Development (HCD)² to every local government in the Bay Area. The RHNA methodology is a formula that quantifies the number of housing units, separated into four income categories,³ that will be assigned to each city, town, and county in the region. The allocation must meet the statutory objectives identified in Housing Element Law⁴ and be consistent with the forecasted development pattern from Plan Bay Area 2050.⁵ Each local government must then update the Housing Element of its General Plan and its zoning to show how it can accommodate its RHNA allocation.

ABAG convened an ad hoc [Housing Methodology Committee](#) (HMC) from October 2019 to September 2020 to advise staff on the methodology for allocating a share of the region's total housing need to every local government in the Bay Area. The HMC included local elected officials and staff as well as regional stakeholders to facilitate sharing of diverse viewpoints across multiple sectors.⁶ At its final meeting on September 18th, the HMC voted to recommend **Option 8A: High Opportunity Areas Emphasis & Job Proximity** with the 2050 Households baseline allocation as the Proposed RHNA Methodology. On October 1, the ABAG Regional Planning Committee voted to recommend this methodology for approval by the Executive Board, and the Board approved its release as the Proposed RHNA Methodology for public comment on October 15, 2020. Materials related to the Proposed RHNA Methodology have been posted on ABAG's website since October 24 (<https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation>).

¹ See California [Government Code Section 65584](#).

² In a [letter dated June 9, 2020](#), HCD provided ABAG with a total RHND of 441,176 units for the 2023-2031 RHNA.

³ State law defines the following RHNA income categories:

- Very Low Income: households earning less than 50 percent of Area Median Income (AMI)
- Low Income: households earning 50 - 80 percent of AMI
- Moderate Income: households earning 80 - 120 percent of AMI
- Above Moderate Income: households earning 120 percent or more of AMI

⁴ See [California Government Code Section 65584\(d\)](#).

⁵ See [Government Code Section 65584.04\(m\)\(1\)](#).

⁶ The HMC roster is available at https://abag.ca.gov/sites/default/files/hmc_roster_06_16_2020_0.pdf.

Public Comment Period for the Proposed RHNA Methodology

Housing Element Law requires ABAG to hold a public comment period and conduct at least one public hearing to receive oral and written comments on the Proposed RHNA Methodology⁷ and Draft Subregional Shares⁸ prior to adoption of the Draft RHNA Methodology and Final Subregional Shares. The written public comment period began on October 25 and ended on November 27 per the Notice of Public Hearing published in newspapers and an ABAG press release. Additionally, ABAG held a public hearing at the November 12 meeting of the Regional Planning Committee, where 29 local government representatives, advocacy organizations, and members of the public provided oral comments on the proposed methodology.

Geographic Representation and Respondent Types for Comments Received

During the public comment period, ABAG received 106 written comments on the proposed RHNA methodology. These letters provided perspectives from over 200 local government staff and elected officials, advocacy organizations, and members of the public, as some letters represented multiple signatories. In total, 42 of ABAG's 109 jurisdictions were signatories on letters received during the public comment period. **Table 1** shows the number of written and oral comments received from advocacy organizations, members of the public, and various public agencies across the nine-county Bay Area.⁹ ABAG received no comments on the Draft Subregional Shares.

Table 1. Share of public comments received from different types of respondents

Type of Respondent	Number of Letters Received	Number of Oral Comments from Public Hearing
Public Agency – Alameda	5	0
Public Agency – Contra Costa	3	0
Public Agency – Marin	11	1
Public Agency – Napa	2	0
Public Agency – San Francisco	0	0
Public Agency – San Mateo	11	2
Public Agency – Santa Clara	8	2
Public Agency – Solano	1	0
Public Agency – Sonoma	1	0
Advocacy Organizations	9	8
Members of the Public	57	17

⁷ [California Government Code 65584.04 \(d\)](#)

⁸ [California Government Code 65584.03 \(c\)](#)

⁹ The sum of the number of letters received in Table 1 exceeds 106, as two letters had signatories from public agencies across multiple counties. Similarly, the sum of the number of oral comments in Table 1 exceeds 29 because one of comments came from a special district that represents both San Mateo and Santa Clara Counties.

Most Common Themes from Comments Received

Table 2 below summarizes the key themes that are most prevalent across the comments received about the proposed RHNA methodology. The themes are ordered roughly in terms of how many letters and oral comments mentioned them, though it is worth noting that some letters represented comments from multiple jurisdictions, advocacy organizations, and/or individual members of the public. The table also includes a brief, preliminary response from ABAG staff to the different topics in the comment letters. Comment letters will receive a more specific response in the coming weeks, with responses to local jurisdictions slated prior to the January ABAG Executive Board meeting.

Table 2. Most common themes from written comments received

<p>1. Jurisdiction is built out and/or lacks infrastructure to accommodate its allocation: Comments noted a lack of developable land and the inability to provide the services and infrastructure that would be needed as a result of growth from RHNA. Some residents objected to any new housing growth.</p>
<p>Preliminary ABAG Response: Housing Element Law requires RHNA to increase the housing supply and mix of housing types for all jurisdictions. ABAG-MTC staff worked with local governments to gather information about local plans, zoning, physical characteristics and potential development opportunities and constraints. This information was used as an input into the Plan Bay Area 2050 Blueprint, which is used as the baseline allocation in the proposed RHNA methodology. The Blueprint allows additional feasible growth within the urban footprint by increasing allowable residential densities and expanding housing into select areas currently zoned for commercial and industrial uses. Ultimately, by law, ABAG cannot limit RHNA based on existing zoning or land use restrictions. The statute also requires ABAG to consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.</p>
<p>2. The methodology should focus more on transit and jobs to better align with Plan Bay Area 2050 and the statutory RHNA objective to promote infill development and achieve greenhouse gas emissions reduction targets: Comments suggested that proposed methodology directs too much RHNA to jurisdictions without adequate transit and/or with few jobs. These comments also argued that changing the RHNA methodology's baseline allocation to household growth from the Blueprint would better align the methodology with Plan Bay Area 2050 and statutory goals related to greenhouse gas emission reductions and sustainability.</p>
<p>Preliminary ABAG Response: The proposed RHNA methodology directly incorporates the forecasted development pattern from the Plan Bay Area 2050 Blueprint as the baseline allocation. The Blueprint emphasizes growth near job centers and in locations near transit, as well as in high-resource areas, with the intent of reducing greenhouse gas emissions. The strategies incorporated into the Blueprint help improve the region's jobs-housing balance, leading to shorter commutes—especially for low-income workers.</p> <p>The inclusion of job proximity by both automobile and transit as factors in the proposed RHNA methodology also furthers the RHNA objective related to efficient development</p>

patterns and greenhouse gas emission reductions by encouraging shorter commutes for all modes of travel. The job proximity factors allocate nearly half of the total number of housing units assigned to the Bay Area by the State. This includes allocating 15% of the region's lower-income units based on a jurisdiction's proximity to jobs that can be accessed by public transit.

Accordingly, the performance evaluation metrics indicate that the proposed RHNA methodology performs well in meeting all five of the RHNA statutory objectives. This analysis shows that the proposed methodology results in jurisdictions with the most access to jobs and transit as well as jurisdictions with the lowest vehicle miles traveled per resident experiencing higher growth rates from their RHNA allocations than other jurisdictions in the region. In contrast, the performance evaluation metrics also show that, while using Plan Bay Area 2050 household growth as the RHNA methodology's baseline performs marginally better on the RHNA objective related to reducing greenhouse gas emissions, it may fall short in achieving statutory requirements related to affirmatively furthering fair housing. Staff's analysis also indicates no consistency issues between the proposed RHNA methodology and 35-year housing growth from Plan Bay Area 2050 at the county and subcounty levels.

3. Methodology needs to directly incorporate hazard risk: Comments suggested the methodology allocated too much growth near areas with high wildfire risk and exposure to other natural hazards such as sea-level rise. Others felt the Blueprint needs to better incorporate hazard data, particularly related to wildland-urban interface (WUI) maps and FEMA floodways.

Preliminary ABAG Response: Including the Blueprint in the RHNA methodology addresses concerns about natural hazards, as the Blueprint excludes areas with unmitigated high hazard risk from Growth Geographies. The Blueprint Growth Geographies exclude CAL FIRE designated "Very High" fire severity areas as well as county-designated WUIs where applicable. The Blueprint strategies focus future growth away from the highest fire risk zones, support increased wildland management programs, and support residential building upgrades that reduce the likelihood for damage when fires occur in the wildland urban interface.

The Blueprint incorporates strategies to mitigate the impacts of sea level rise, protecting nearly all communities at risk from two feet of permanent inundation. Riverine flooding is not yet integrated into the Blueprint because existing research does not provide guidance on how to model impacts of temporary riverine flooding to buildings and land value. Communities can choose to take these risks into consideration with where and how they site future development, either limiting growth in areas of higher hazard or by increasing building standards to cope with the hazard.

4. Support for proposed methodology: Comments from residents, local jurisdictions, and a diverse range of advocacy organizations supporting the methodology emphasized its importance for furthering regional equity.

Preliminary ABAG Response: Staff's analysis aligns with these comments and indicates the proposed methodology successfully furthers all five of the statutory objectives of RHNA, including requirements related to affirmatively furthering fair housing.

5. Need to account for impacts from COVID-19: Comments generally focused on the effects of the pandemic and suggest either delaying RHNA or reconsidering the focus on proximity to jobs.

Preliminary ABAG Response: Staff appreciates concerns about the significant economic and societal changes resulting from COVID-19, and these concerns were relayed to the State in early summer. However, the Regional Housing Need Determination (RHND) from HCD has been finalized at this point in time. ABAG is obligated by state law to move forward with the RHNA process so jurisdictions can complete updates to their Housing Elements on time.

Additionally, the eight-year RHNA cycle (which starts in 2023) represents a longer-term outlook than the current impacts of the pandemic in 2020 and 2021. The potential impacts of the trend toward telecommuting in the longer term are incorporated into the RHNA methodology through the integration of the Plan Bay Area 2050 Blueprint, which includes strategies to expand commute trip reduction programs through telecommuting and other sustainable modes of travel.

6. Concerns about allocation to unincorporated areas: Comments argued that the methodology allocates too much growth to unincorporated areas that are rural and lack infrastructure to support development.

Preliminary ABAG Response: The Plan Bay Area 2050 Blueprint forecasts very little growth in unincorporated county areas, and that growth is focused inside urban growth boundaries. The RHNA allocations to these areas are driven, largely, by the number of existing households in unincorporated county areas, since the 2050 Households baseline in the proposed RHNA methodology is the sum of existing households and forecasted household growth. ABAG-MTC staff has engaged in dialogue with local government staff in the counties that have expressed concern about their potential RHNA allocations to unincorporated counties (Santa Clara, Solano and Sonoma), and staff continue to explore potential ways to address these concerns. It is also important to note that Housing Element Law includes provisions that allow a county to transfer a portion of its RHNA allocation to a city later in the RHNA process or if land is annexed after it receives its RHNA allocation from ABAG.¹⁰

7. Support for adding the “equity adjustment” proposed by some HMC members to the methodology: Comments were generally supportive of the methodology but noted the HMC-proposed equity adjustment should be included to advance the statutory requirement to affirmatively further fair housing.

Preliminary ABAG Response: Staff notes the importance of meeting all statutory requirements, including the mandate to affirmatively further fair housing. However, staff’s analysis indicates the proposed RHNA methodology does successfully achieve all five statutory objectives of RHNA. At the final HMC meeting, staff recommended that the HMC not move forward with the proposed equity adjustment as this change would increase the complexity of the methodology for minimal impact on RHNA allocations. The proposed equity adjustment would shift less than 2 percent of the region’s lower-income RHNA to the jurisdictions

¹⁰ [Government Code Section 65584.07.](#)

identified by an HMC-proposed composite score as exhibiting above-average racial and socioeconomic exclusion. However, the underlying methodology for the composite score and adjustment approach would make it more difficult for local policy makers and members of the public to understand the RHNA methodology. Ultimately, the HMC chose not to move forward with the proposed equity adjustment in its recommended RHNA methodology.

8. Concern that HCD’s Regional RHND calculation was inaccurate and too high:

Comments from several members of the public and one local jurisdiction expressed the belief that HCD’s RHND calculations may have been flawed and resulted in ABAG receiving an allocation from the state that was too large.

Preliminary ABAG Response: The determination provided by HCD is based on a population forecast from the California Department of Finance (DOF), which is then modified by staff at DOF and HCD to tackle overcrowding and make other adjustments as specified in law. The procedures for calculating the RHND are clearly specified in state law and the grounds for an appeal were narrowly designed by the Legislature. ABAG staff have reviewed HCD’s calculation methodology and believe it adheres to applicable legal requirements. The ABAG Board ultimately decided not to appeal the RHND in June 2020. At this time, the window of appeal of the RHND is now closed. Further feedback on this element of the process is most appropriately provided to HCD, rather than ABAG.

9. Jurisdiction-specific issues with Plan Bay Area 2050 Blueprint: Some jurisdictions had concerns about the accuracy of the Blueprint’s underlying data.

Preliminary ABAG Response: Local jurisdiction staff were provided with several months to comment on the BASIS data used as the input for the Blueprint, as well as the additional public comment period on the Draft Blueprint during Summer 2020. ABAG-MTC staff appreciates jurisdictions’ feedback on Blueprint data and has worked directly with local jurisdiction staff to address these concerns.

Next Steps

Staff will consider comments and will recommend any necessary adjustments for integration into the Draft RHNA Methodology, which is scheduled for release in the next week. The ABAG Regional Planning Committee will consider the Draft RHNA Methodology and make a recommendation to the ABAG Executive Board at its meeting on January 14, 2021. The ABAG Executive Board is slated to take action on the Draft RHNA Methodology at the January 21, 2021 meeting.

After a Draft RHNA Methodology is adopted by the Executive Board, ABAG will submit the methodology to HCD for review and then use the state agency’s feedback to develop a final methodology and draft RHNA allocation in spring 2021. Release of the draft allocation will be followed by an appeals period in the summer of 2021, with the final RHNA allocation assigned to each of the Bay Area’s local governments in late 2021.