



WELCOME

ABAG Housing  
Methodology Committee

August 28, 2020



# REFINING METHODOLOGY CONCEPTS

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# Today's agenda

- Staff will briefly present methodology concepts that build on the foundation HMC chose at August 13 meeting:
  - Baseline allocation: **2050 Households from Plan Bay Area 2050 Blueprint\***
  - Income allocation approach: **Bottom-Up Concept**
- HMC will have opportunity to discuss and come to consensus about:
  - **Decision Point #1:** Does the HMC recommend adjusting the Bottom-Up income groupings so moderate-income units are allocated using the same factors as very low- and low-income units?
  - **Decision Point #2:** Does the HMC recommend using the comprehensive performance evaluation metrics as drafted to ensure methodology options meet the statutory objectives and advance regional policy goals?
  - **Decision Point #3:** Which of the six methodologies does the HMC recommend continuing to consider as performing best in meeting the RHNA statutory objectives and producing the best outcomes for the region?

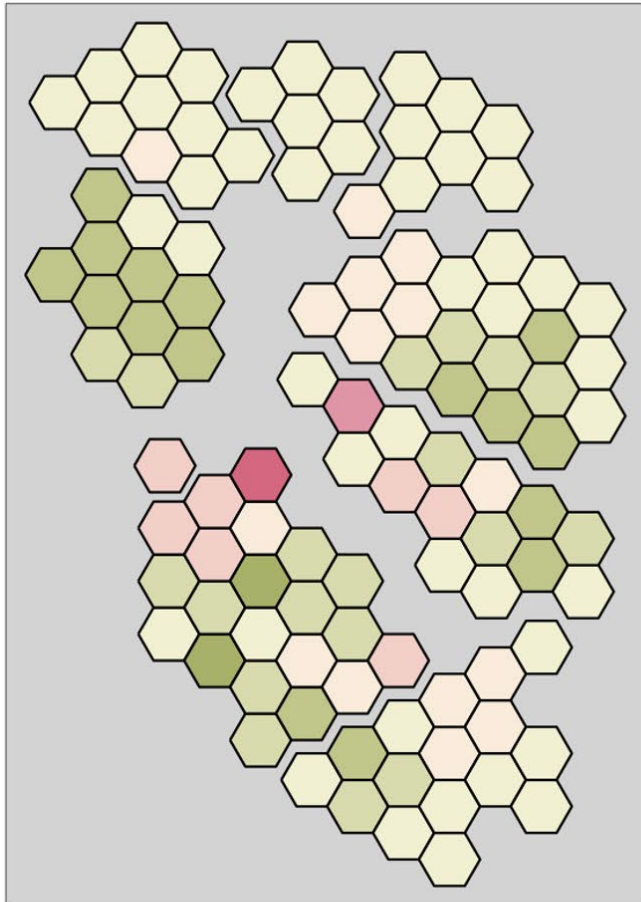
\* The analyses use data from the Draft Blueprint. The Final Blueprint is expected to be adopted by the end of 2020.

# Recap: regrouping income categories for Bottom-Up

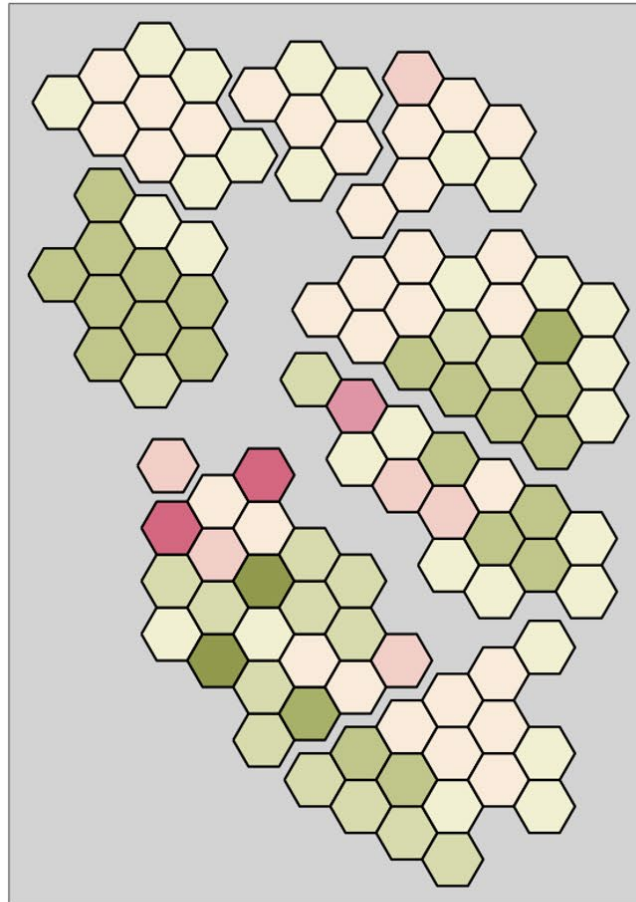
- Initial feedback from HMC in July/August: allocate moderate-income units using same factors as very low- and low-income units
- Rationale: in the Bay Area, moderate-income units are not generally produced by the market; producing lower-income and moderate-income units requires a greater level of policy intervention
- Impacts:
  - More moderate-income units to jurisdictions with more higher-income households/more access to High Resource Areas
  - Does not affect allocations of units in other income categories
  - Minimal impact regionally: less than 17% of RHND falls in the moderate-income category

# Effects of allocating moderate-income units with factors for lower-income units

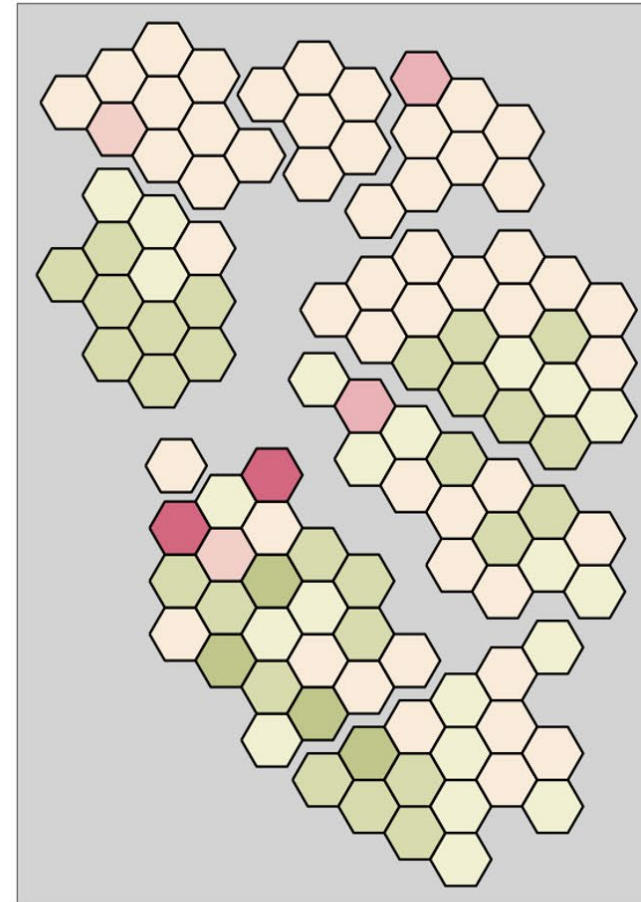
Option 1: Jobs Emphasis



Option 2: High Opportunity Areas & Jobs



Option 3: High Opportunity Areas Emphasis



# HMC decision points and initial staff recommendations

## DECISION



## POINT

**Decision Point #1: Does the HMC recommend adjusting the Bottom-Up income groupings so moderate-income units are allocated using the same factors as very low- and low-income units?**

*Initial Staff Recommendation: Group moderate-income units with very low- and low-income units because, in most communities in the Bay Area, development of these units also requires a greater level of policy intervention.*

*Based on the current methodology options, this approach also directs more moderate-income units to jurisdictions with more high-income households and High/Highest Resource census tracts, which promotes more diverse housing choices in these communities.*

# Bottom-Up methodologies using 2050 Households baseline allocation

- Example showing moderate-income units grouped with very low- and low-income units (adjusted income groupings)

Option 1B. Jobs Emphasis	Option 2B. High Opportunity Areas & Jobs	Option 3B. High Opportunity Areas Emphasis
<p><i>Very Low, Low <u>and</u> Moderate</i></p> <ul style="list-style-type: none"> <li>• 40% Access to High Opportunity Areas</li> <li>• 40% Jobs-Housing Fit</li> <li>• 20% Job Proximity - Transit</li> </ul> <p><i>Above Moderate</i></p> <ul style="list-style-type: none"> <li>• 50% Job Proximity - Auto</li> <li>• 30% Job Proximity - Transit</li> <li>• 20% Jobs-Housing Balance</li> </ul>	<p><i>Very Low, Low <u>and</u> Moderate</i></p> <ul style="list-style-type: none"> <li>• 50% Access to High Opportunity Areas</li> <li>• 50% Jobs-Housing Fit</li> </ul> <p><i>Above Moderate</i></p> <ul style="list-style-type: none"> <li>• 50% Job Proximity - Auto</li> <li>• 50% Jobs-Housing Balance</li> </ul>	<p><i>Very Low, Low <u>and</u> Moderate</i></p> <ul style="list-style-type: none"> <li>• 70% Access to High Opportunity Areas</li> <li>• 30% Jobs-Housing Fit</li> </ul> <p><i>Above Moderate</i></p> <ul style="list-style-type: none"> <li>• 40% Access to High Opportunity Areas</li> <li>• 60% Jobs-Housing Balance</li> </ul>

previously *Bottom-Up 3-Factor*

previously *Bottom-Up 2-Factor*

new as of August 2020 HMC

# Analysis of six methodology scenarios

- Staff evaluated six methodology scenarios:

Option 1A. Jobs Emphasis

Option 1B. Jobs Emphasis with Adjusted Income Groupings

Option 2A. High Opportunity Areas & Jobs

Option 2B. High Opportunity Areas & Jobs with Adjusted Income Groupings

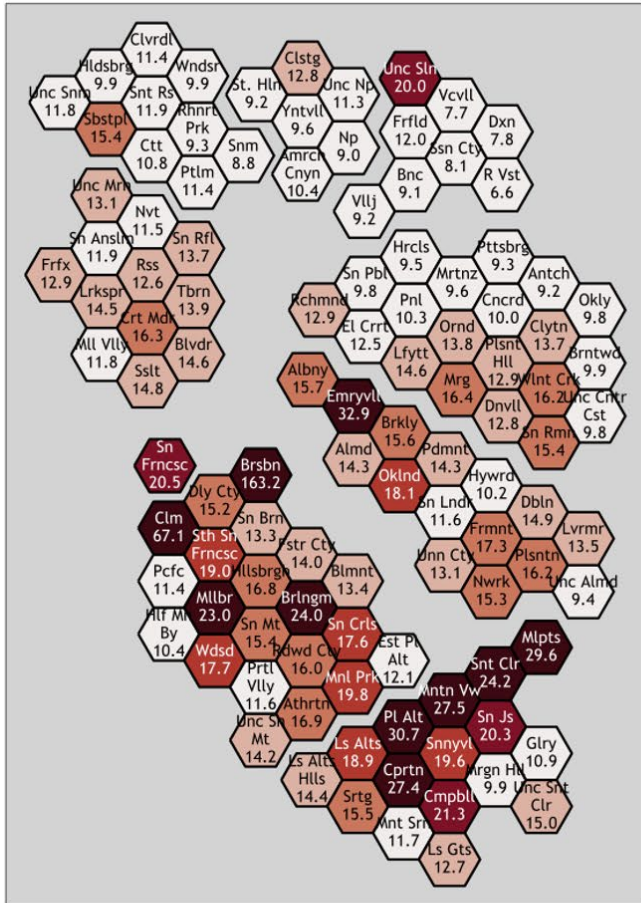
Option 3A. High Opportunity Areas Emphasis

Option 3A. High Opportunity Areas Emphasis with Adjusted Income Groupings

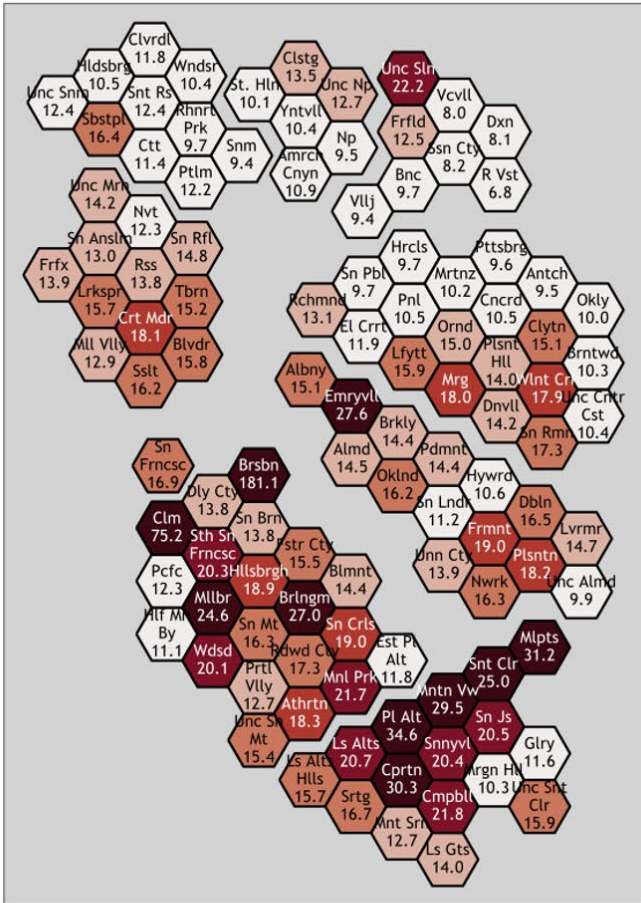


# Comparison of methodology results

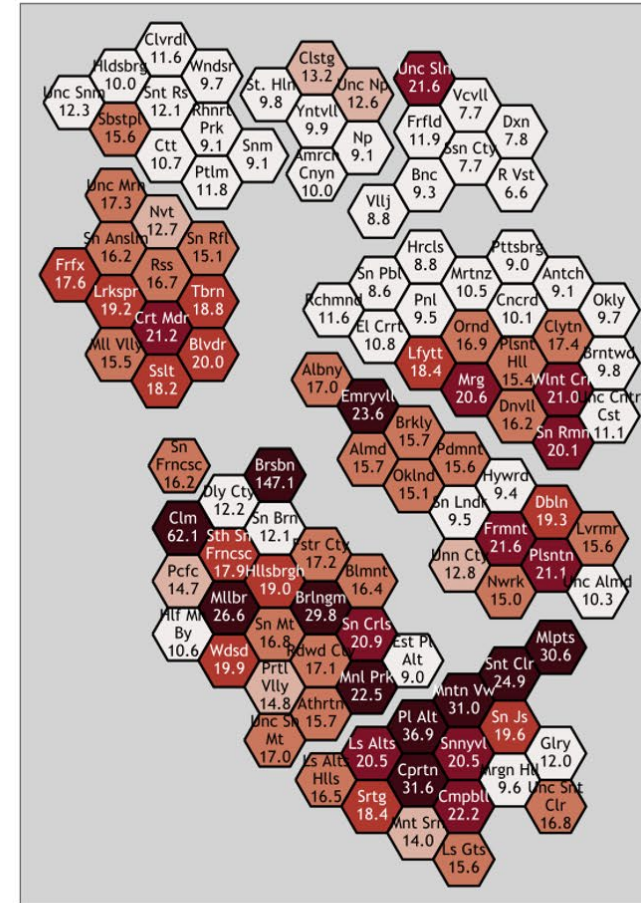
Option 1B: Jobs Emphasis with Adjusted Income Groupings



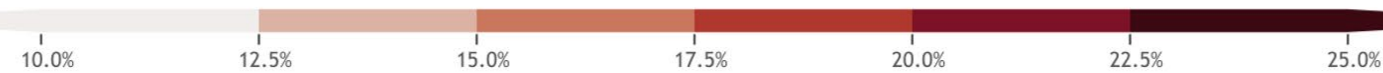
Option 2B: High Opportunity Areas & Jobs with Adjusted Income Groupings



Option 3B: High Opportunity Areas Emphasis with Adjusted Income Groupings



Jurisdiction Growth Rate



# Summary of methodology results

- All three result in similar concentrations in Silicon Valley
- San Francisco and Oakland receive larger allocations in Option 1B
- Option 3B distributes higher shares of RHNA to Marin County and the Tri-Valley in the East Bay
- In all three scenarios, most jurisdictions in east Contra Costa County and Napa, Solano, and Sonoma Counties experience lower growth compared to rest of the region

# Consistency between RHNA and Plan Bay Area

- Staff compared the RHNA allocation results from these six options to the 30-year housing growth forecasts from the Plan Bay Area 2050 Draft Blueprint at the county and subcounty levels
- There were no consistency issues with any of the six methodology concepts evaluated

# Evaluating methodology options

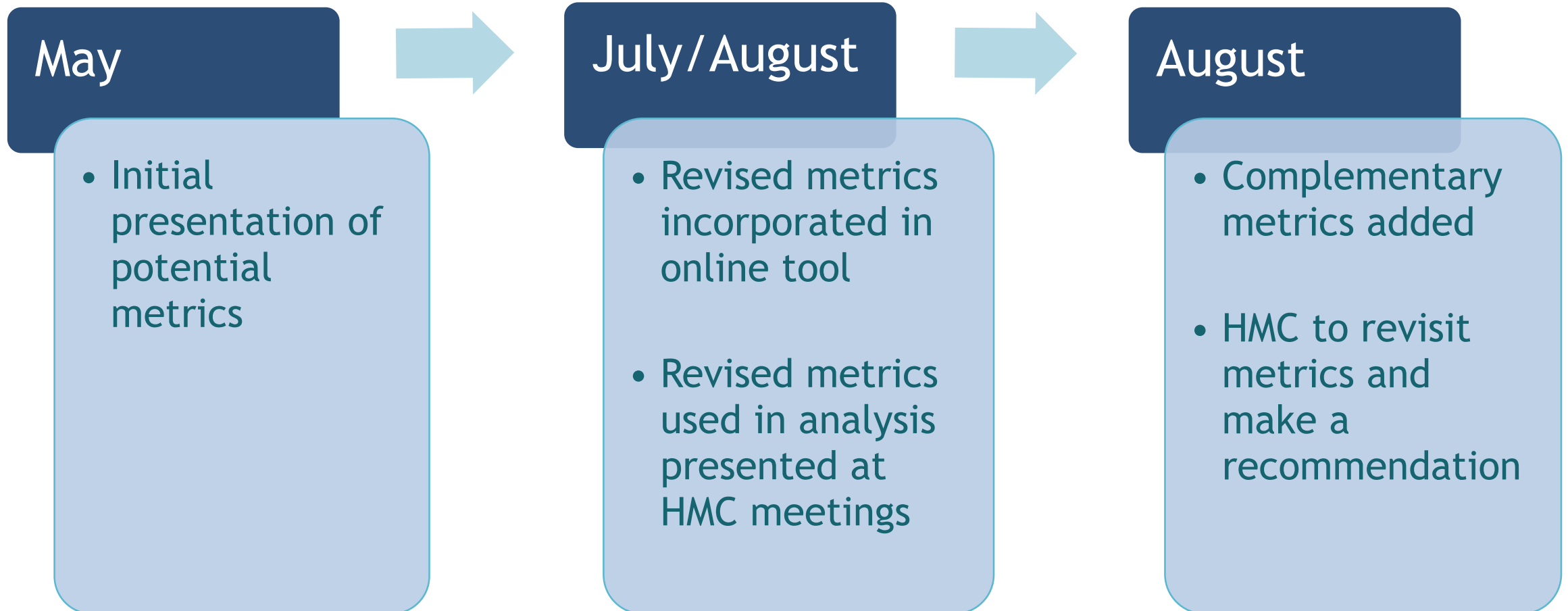
- **Purpose**

- Inform HMC's decisions during the methodology development process
- Provide feedback about how to effectively balance RHNA policy goals
- Ensure proposed methodology meets statutory RHNA objectives and furthers regional planning goals

- **Framework**

- Presented as questions with metrics related to meeting each RHNA statutory objective
- Foundation was metrics used by HCD when approving other regions' RHNA methodologies

# Evaluation metric development process



# New set of complementary metrics

## Initial Metrics

focus on lower-income units as % of RHNA

- Reflect HCD's analysis
- Does not provide feedback about total allocations

## Complementary Metrics

focus on total unit allocations

- Requested by HMC
- Uses proportionality - compares jurisdictions' share of RHND to their share of region's households
- Enables more complete analysis when paired with initial metrics

# Complementary metric example

- Objective 5: Does the allocation affirmatively further fair housing?
- Jurisdiction characteristic: top 25 jurisdictions with largest share of households in High/Highest Resource tracts
- Initial metric: Do these jurisdictions receive a higher percentage of their RHNA as lower-income units compared to rest of region?
- Complementary metric: Do these jurisdictions receive a share of regional housing need that is at least proportional to their share of the region's households? (i.e. if they are 10% of region's households, they receive at least 10% of RHND)

# HMC decision points and initial staff recommendations

## DECISION



## POINT

**Decision Point #2: Does the HMC recommend using the comprehensive performance evaluation metrics as drafted to ensure methodology options meet the statutory objectives and advance regional policy goals?**

*Initial Staff Recommendation: Use the comprehensive evaluation metrics that include the initial metrics previously discussed with the HMC and the complementary metrics introduced today. The addition of the complementary metrics provides greater insight into a methodology's impact on total allocations and allocations by income.*



# Performance on evaluation metrics

- All methodology options appear to further the five statutory objectives with either income category grouping
- Option 1 (A or B) did not seem to perform as well on complementary metrics focused on total unit allocations and proportionality, but did appear to perform strongly on initial metrics focused on share of low-income units
- Version B options for all methodologies perform best on complementary metrics related to total allocations
- Option 3 (A or B) appears to have stronger performance on complementary metrics focused on proportionality of total unit allocations

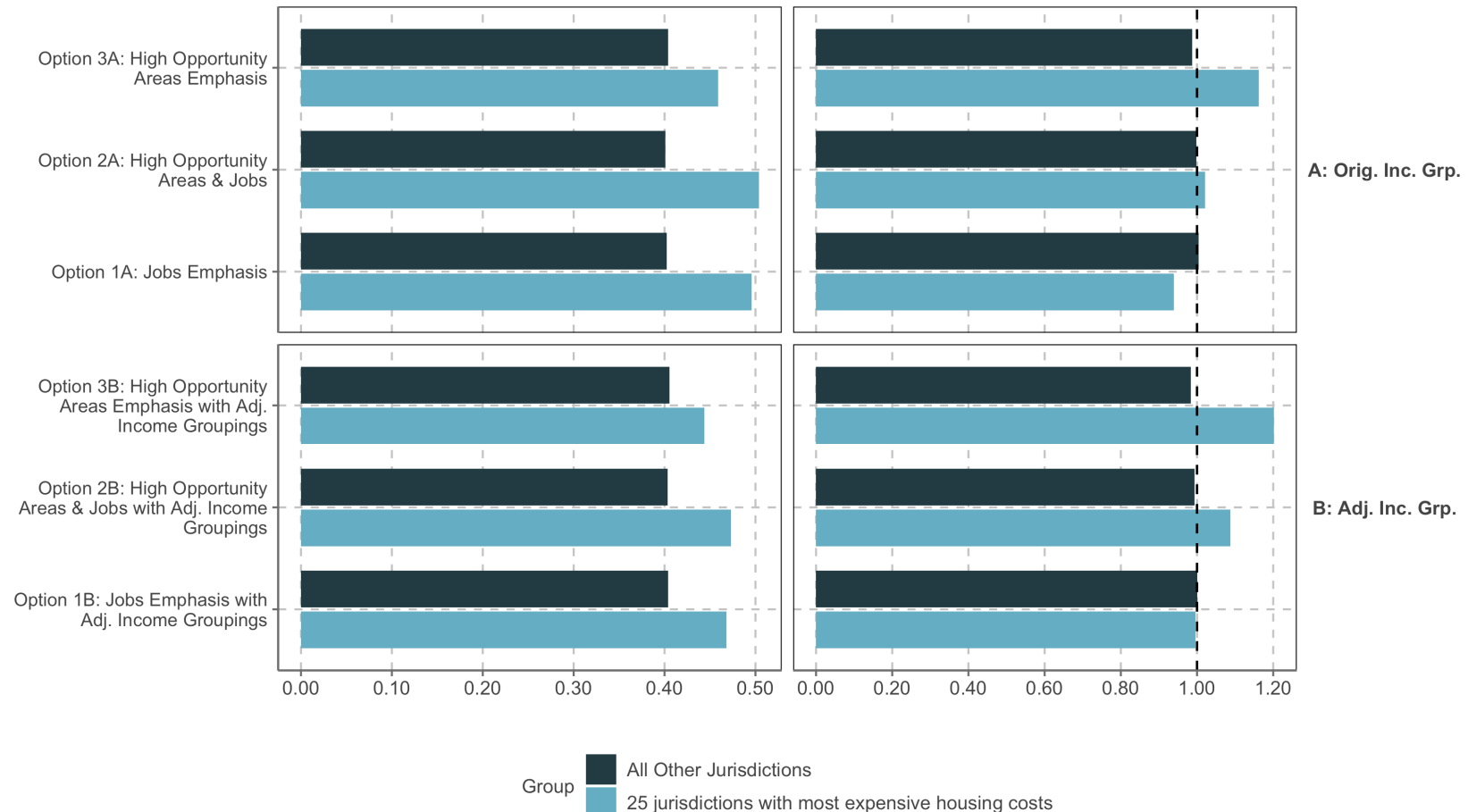
# Objective 1: increase the housing supply and the mix of housing types in an equitable manner

Metric 1a.1: Do the least affordable jurisdictions receive a large percent of their RHNA as lower-income units?

Metric 1a.2: Do the least affordable jurisdictions receive allocations proportional to share of households?

Metric 1a.1: Percent of RHNA as lower-income units

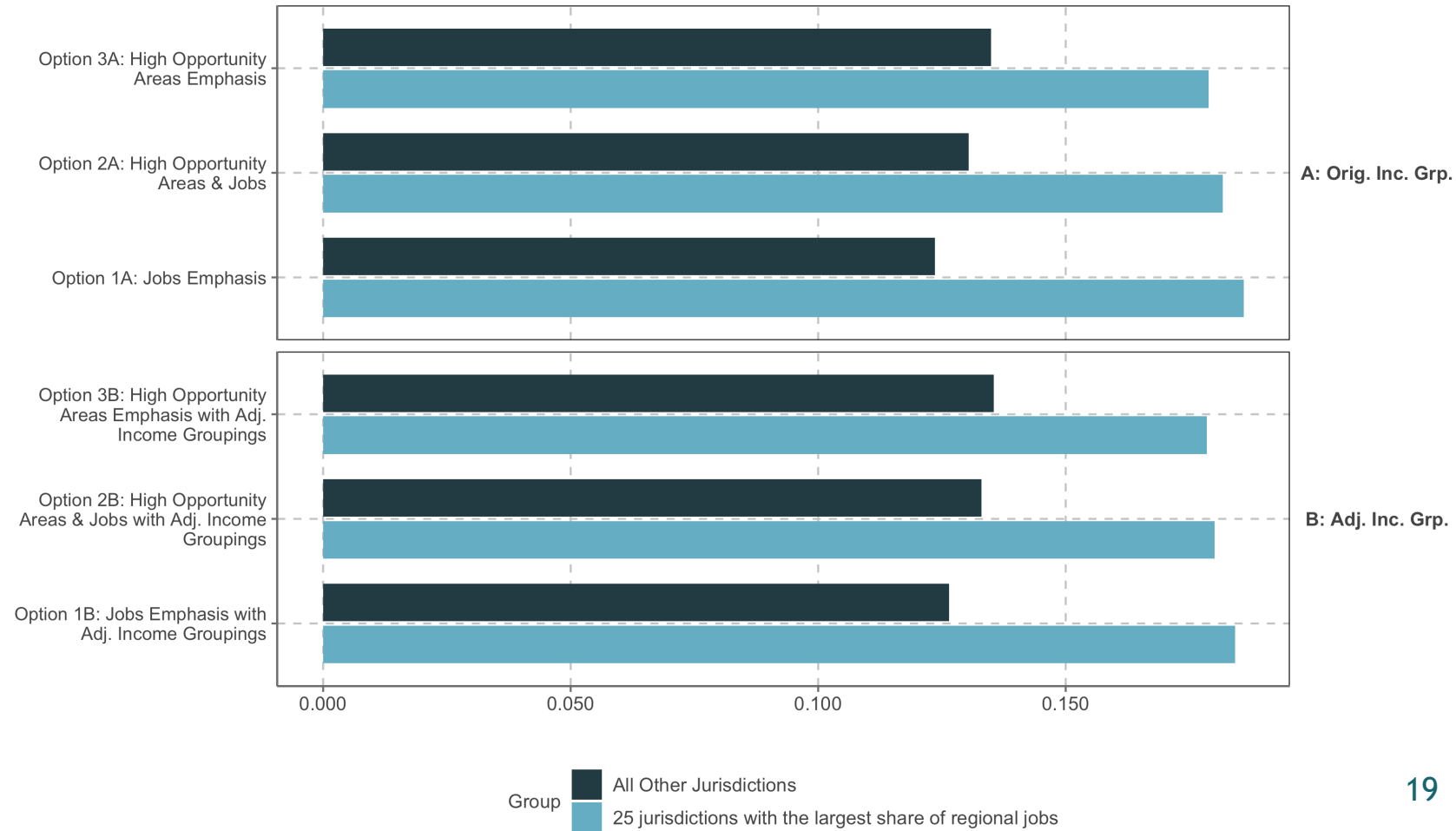
Metric 1a.2: Ratio of share of total RHNA to share of region's households



# Objective 2: promote infill development, efficient development, and GHG reduction

Metric 2a: Average growth rate resulting from RHNA

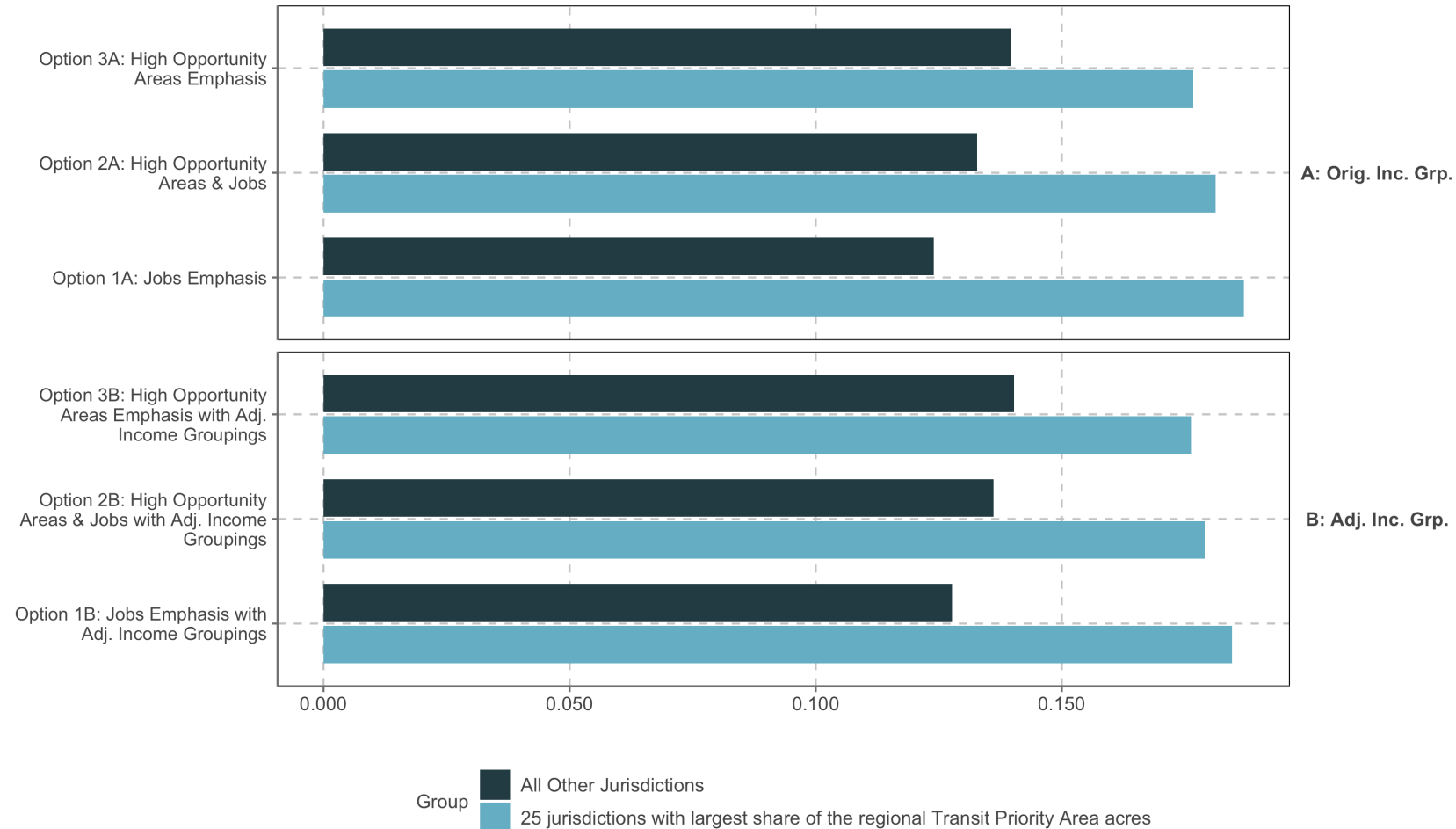
Metric 2a: Do the jurisdictions with the most jobs have the highest growth rates?



# Objective 2: promote infill development, efficient development, and GHG reduction

Metric 2b: Average growth rate resulting from RHNA

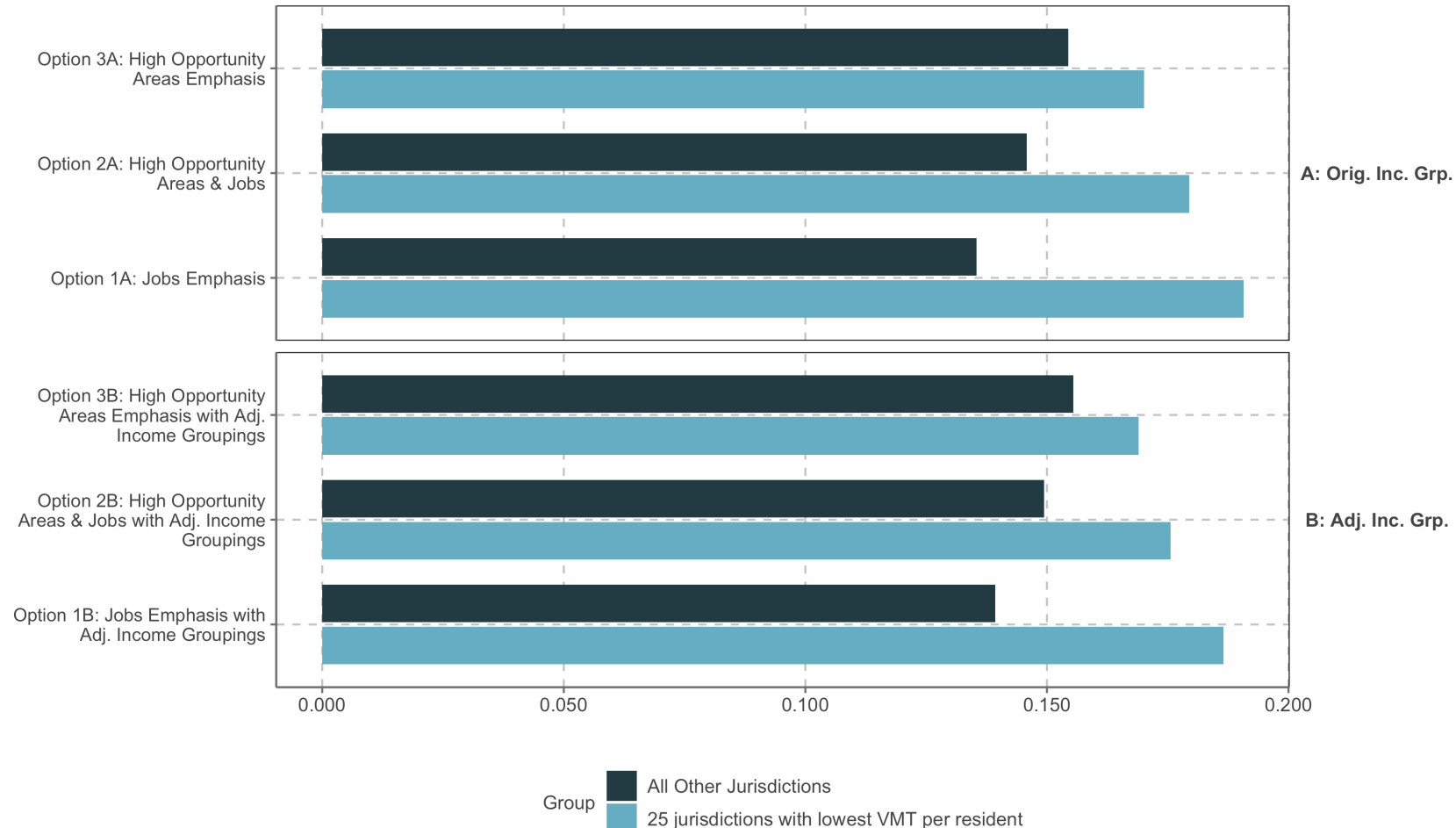
Metric 2b: Do the jurisdictions with the most transit access have the highest growth rates?



# Objective 2: promote infill development, efficient development, and GHG reduction

Metric 2c: Average growth rate resulting from RHNA

Metric 2c: Do the jurisdictions with the lowest VMT per resident have the highest growth rates?



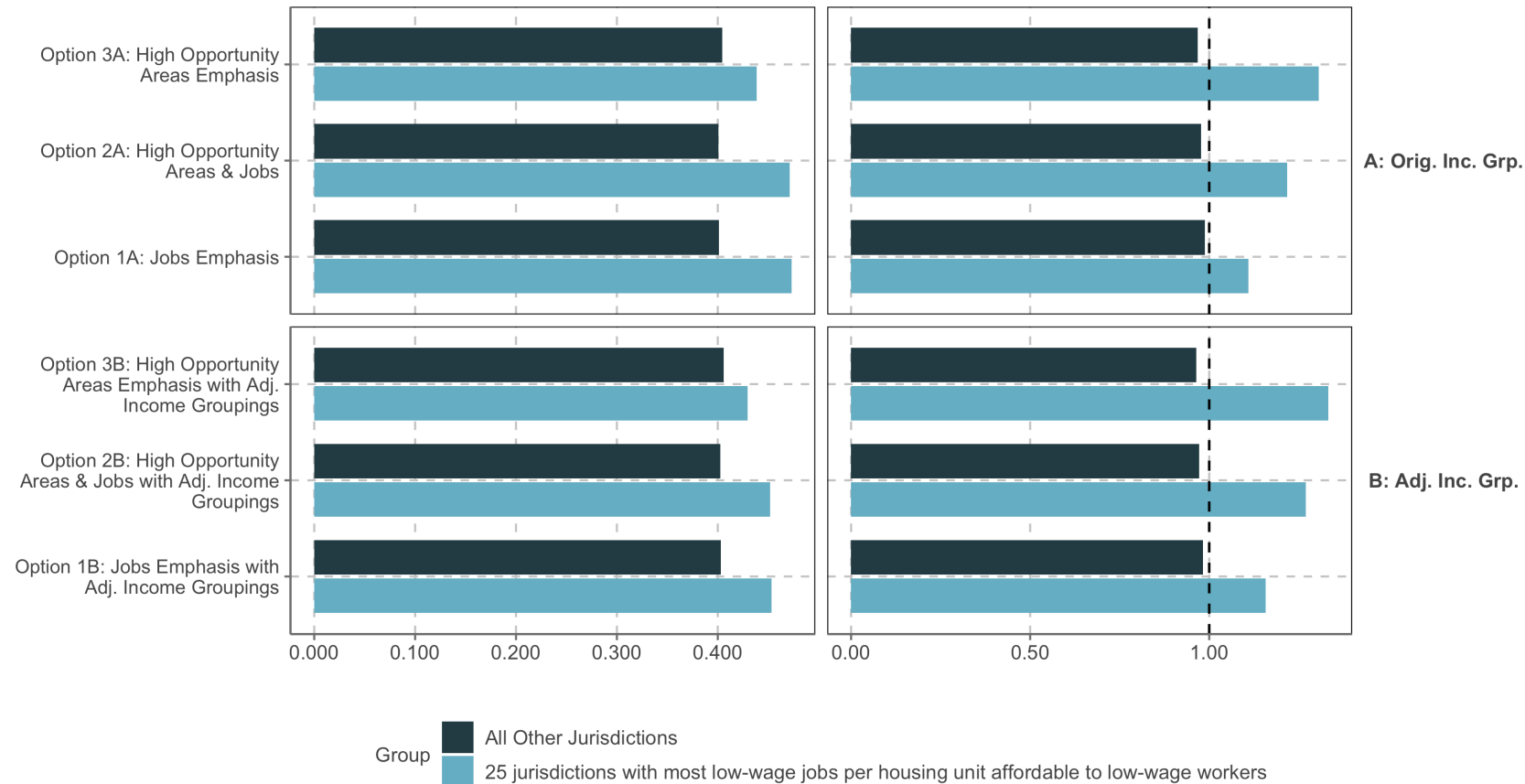
# Objective 3: promote better relationship between jobs and housing, particularly jobs-housing fit

Metric 3a.1: Do the jurisdictions with the least balanced jobs-housing fit receive a large percent of their RHNA as lower-income units?

Metric 3a.2: Do the jurisdictions with the least balanced jobs-housing fit receive allocations proportional to share of households?

Metric 3a.1: Percent of RHNA as lower-income units

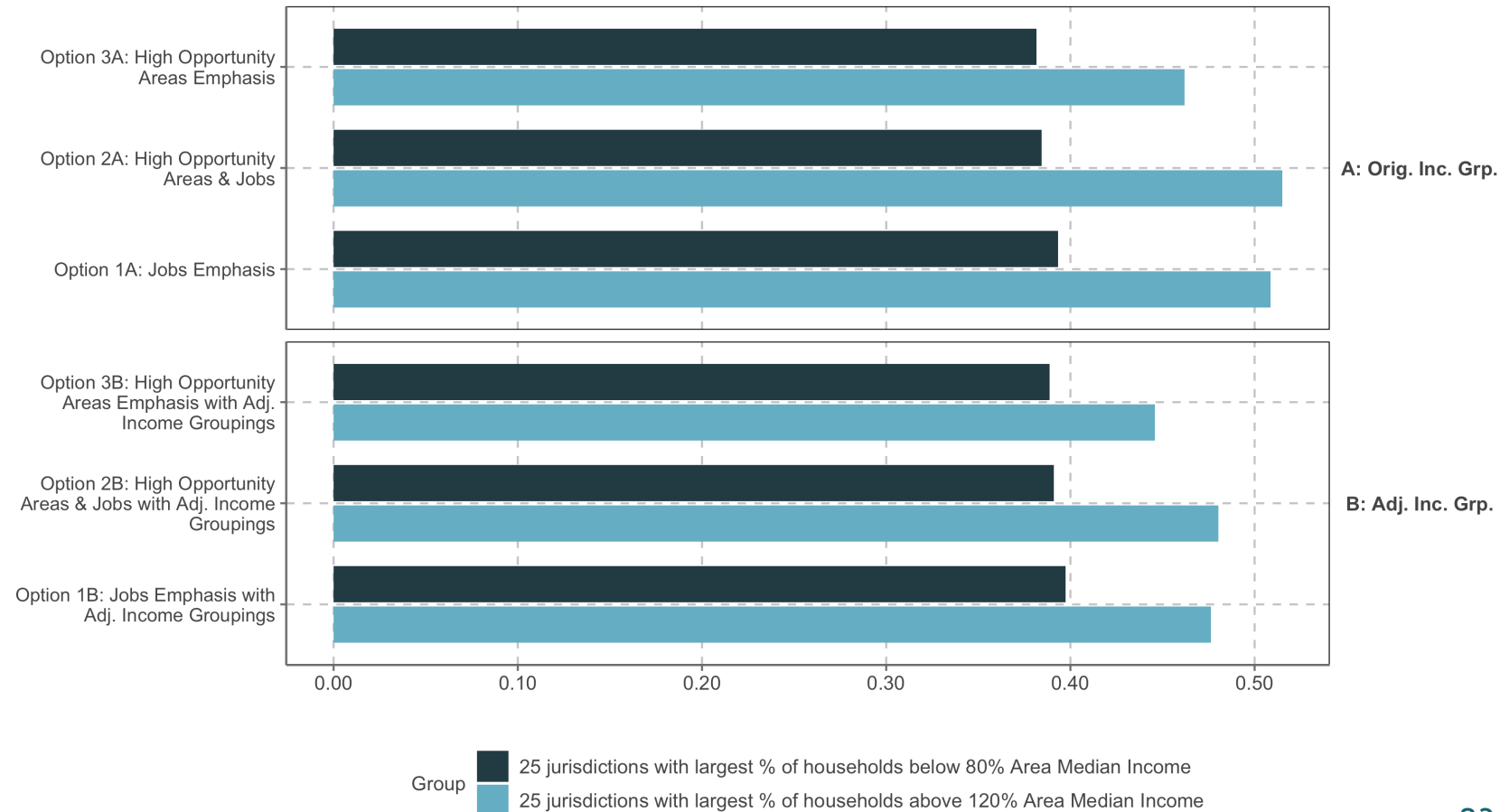
Metric 3a.2: Ratio of share of total RHNA to share of region's households



# Objective 4: balance existing disproportionate concentrations of income categories

Metric 4: Percent of RHNA as lower-income units

Metric 4: Do the most disproportionately high-income jurisdictions receive a greater share of affordable housing than the most disproportionately low-income jurisdictions?



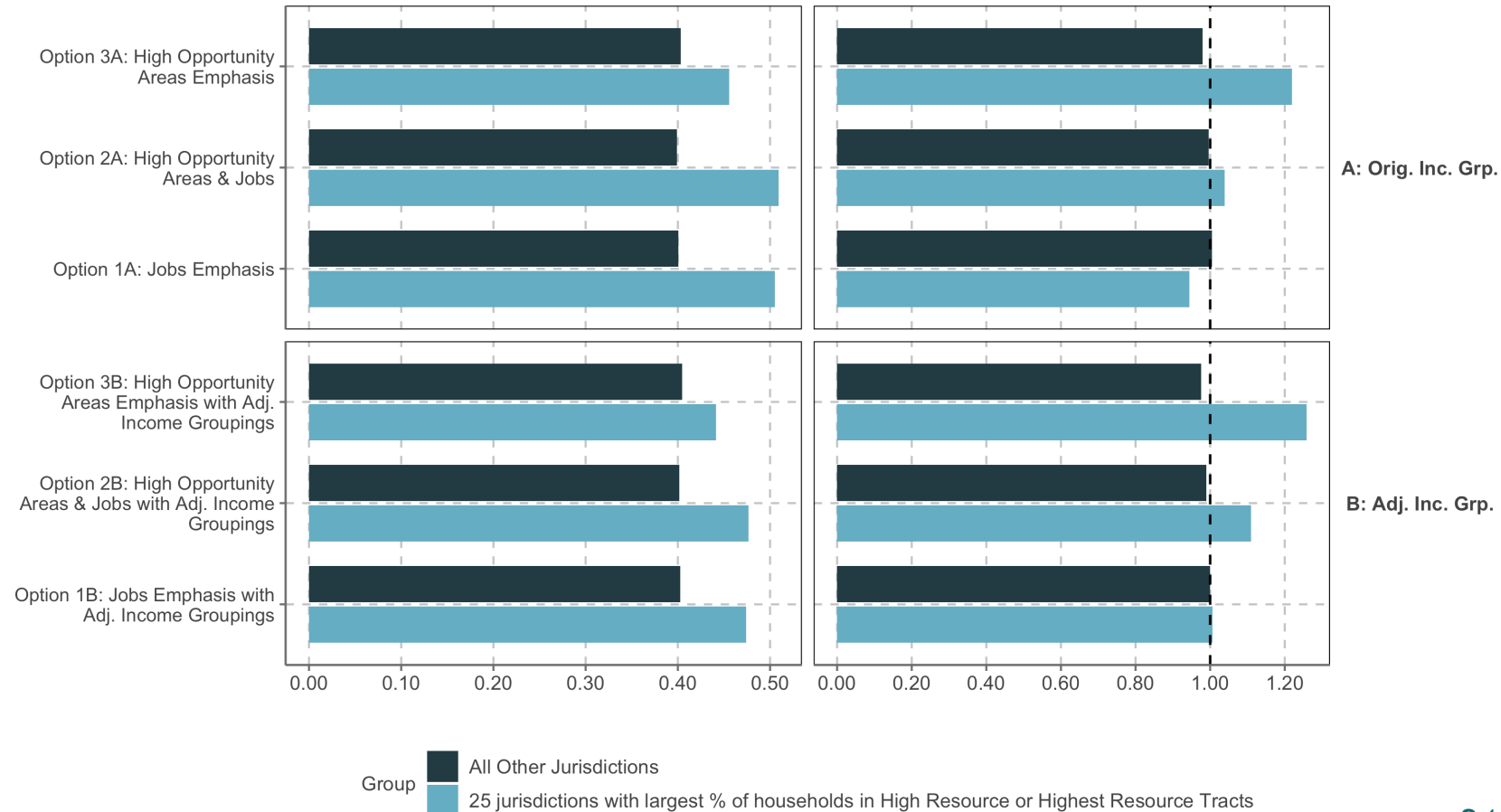
# Objective 5: affirmatively further fair housing

Metric 5a.1: Do the jurisdictions with the most access to resources receive a large percent of their RHNA as lower-income units?

Metric 5a.2: Do the jurisdictions with the most access to resources receive allocations proportional to share of households?

Metric 5a.1: Percent of RHNA as lower-income units

Metric 5a.2: Ratio of share of total RHNA to share of region's households

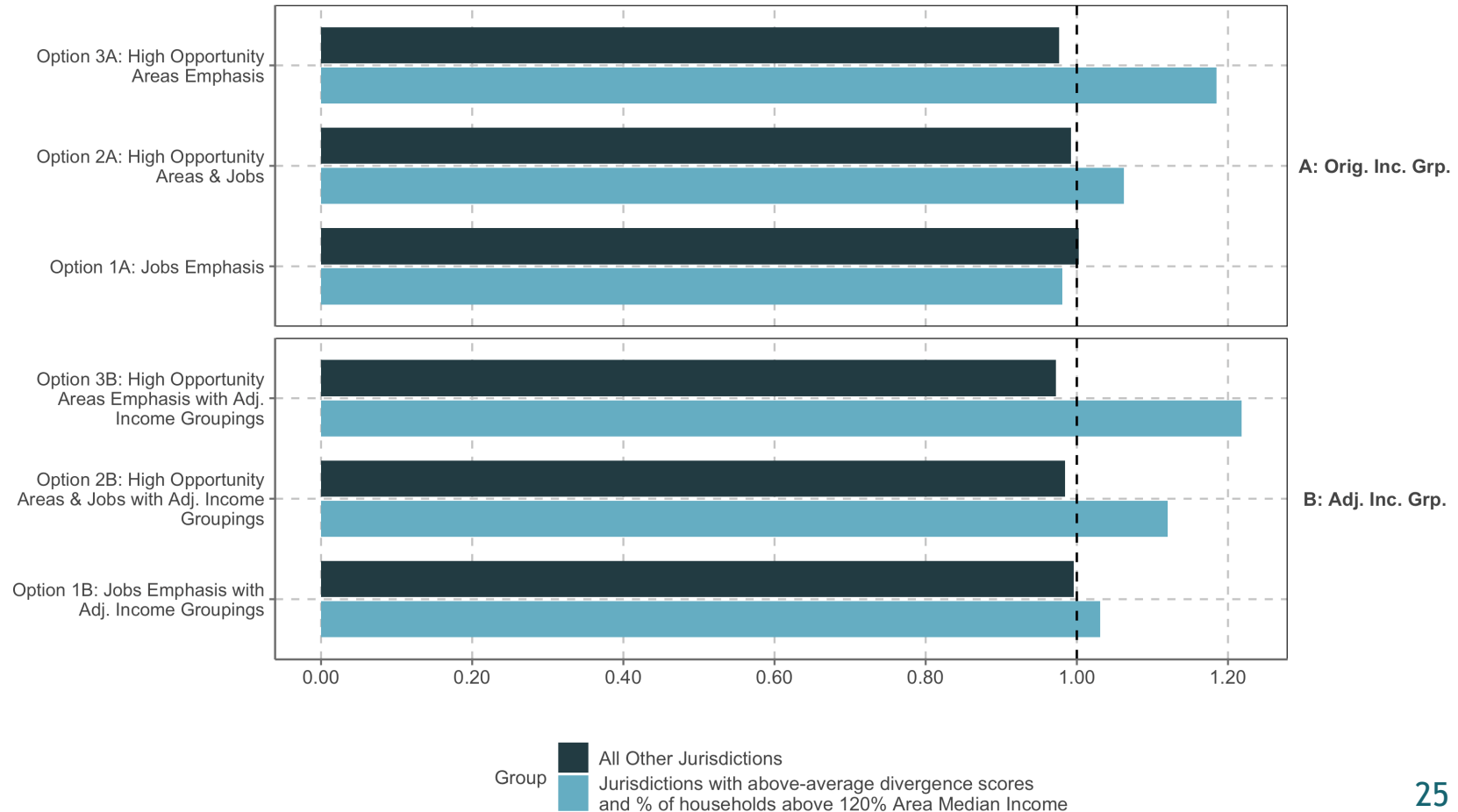




# Objective 5: affirmatively further fair housing

Metric 5b: Ratio of share of total RHNA to share of region's households

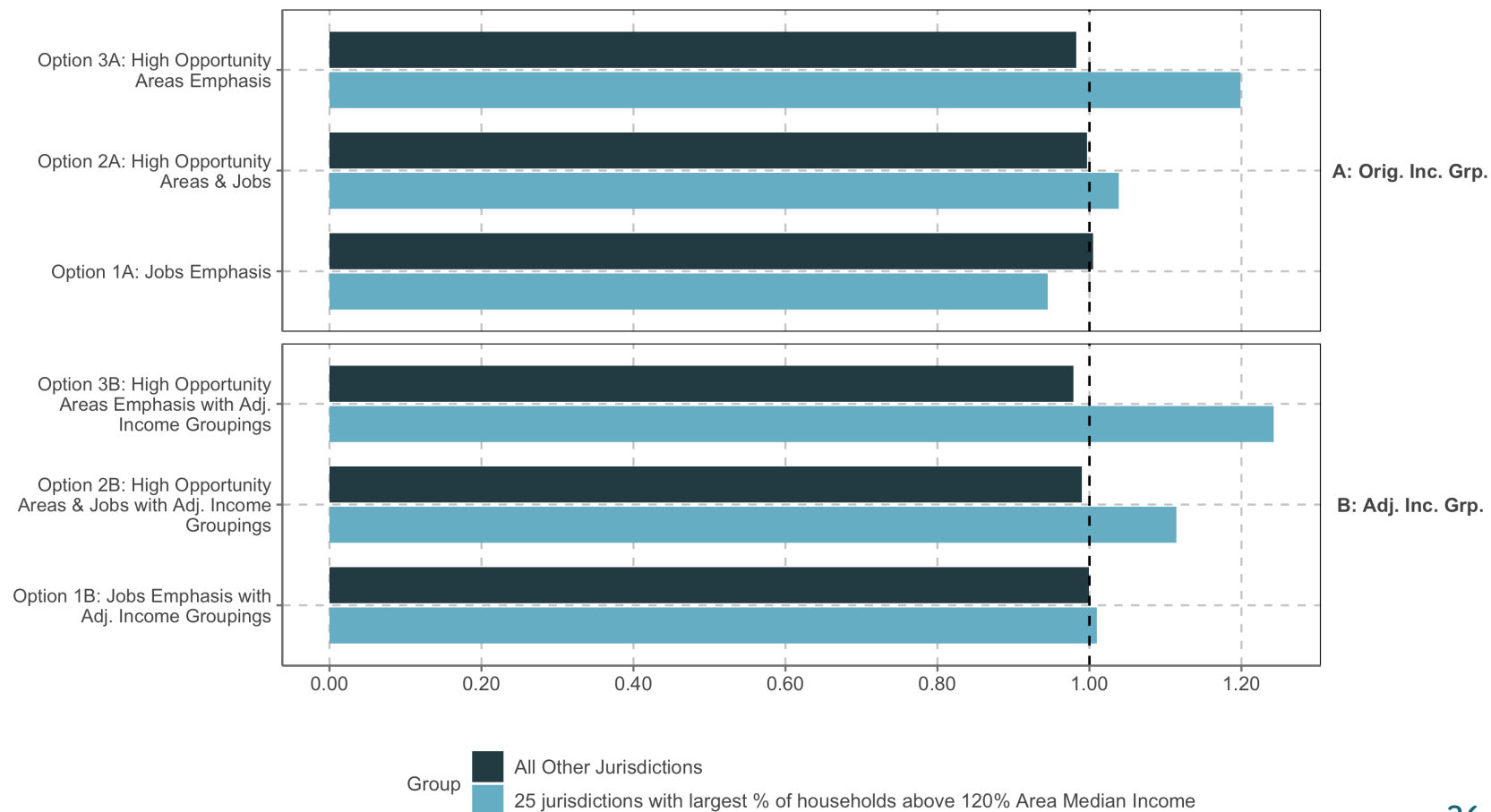
Metric 5b: Do the jurisdictions exhibiting racial and economic exclusion receive allocations proportional to share of households?



# Objective 5: affirmatively further fair housing

Metric 5c: Do the most disproportionately high-income jurisdictions receive allocations proportional to share of households?

Metric 5c: Ratio of share of total RHNA to share of region's households



# HMC decision points and initial staff recommendations

## DECISION



## POINT

**Decision Point #3: Which of the six methodologies does the HMC recommend continuing to consider as performing best in meeting the RHNA statutory objectives and producing the best outcomes for the region?**

*Initial Staff Recommendation: All six methodology options appear to further the statutory objectives. Ultimately, the HMC must decide which option represents the best compromise between different regional priorities and is most effective at achieving the statutory objectives and other regional policy goals.*

# Next steps

- On September 18, be prepared to vote on a proposed methodology to recommend to the ABAG Regional Planning Committee and Executive Board
- Staff encourages HMC members to continue to use the [RHNA online visualization tool](#) between meetings to help them prepare for making decisions about the methodology.



# PUBLIC COMMENT

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# WRAP UP AND NEXT STEPS

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