

REGIONAL HOUSING NEEDS ALLOCATION



TO: ABAG Housing Methodology Committee
 FR: Deputy Executive Director, Policy
 RE: Refining RHNA Methodology Concepts

DATE: August 28, 2020

Overview

The Housing Methodology Committee's (HMC) objective is to recommend to the Executive Board an allocation methodology for dividing up the Bay Area's Regional Housing Need Determination (RHND) among the region's jurisdictions. This Regional Housing Needs Allocation (RHNA) methodology is a formula that calculates the number of housing units assigned to each city and county, and the formula also distributes each jurisdiction's housing unit allocation among four affordability levels.

At the August 13 meeting, the HMC established the foundation for the RHNA methodology by deciding to move forward with using 2050 Households from the Plan Bay Area 2050 Blueprint ("2050 Households (Blueprint)")¹ as the baseline allocation and the Bottom-Up concept as the income allocation approach. At the August 28 meeting, the HMC will focus on refining the factors and weights that best complement this foundation to allocate RHNA units in an equitable manner. As a reminder, the RHNA allocation must meet the five statutory objectives of RHNA² and be consistent with the forecasted development pattern from Plan Bay Area 2050.³

Staff will present a comparison of the two Bottom-Up methodologies previously shared with the HMC as well as a new option that emphasizes the use of the Access to High Opportunity Areas factor. The meeting will focus on the following key decision points:

- 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 better 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?

Similar to what was discussed at the August 13 meeting, these decisions are interrelated. Staff has presented these topics in the order that seemed most logical, but HMC members will likely need to consider information from each section when reaching a conclusion on each decision.

¹ Draft Blueprint (2050 Households) data is used throughout the materials; the Final Blueprint (2050 Households) data will be integrated by the end of 2020 when it becomes available. The ABAG Executive Board and MTC Commission are slated to approve the Strategies and Growth Geographies for the Final Blueprint in September.

² [Government Code Section 65584\(d\)](#).

³ [Government Code Section 65584.04\(m\)\(1\)](#).

Section 1: Regrouping Income Categories for Bottom-Up Concepts

At the July HMC meeting, several committee members proposed a change to how moderate-income units are allocated in the Bottom-Up concept. The Bottom-Up methodologies originally proposed by staff use one set of factors to allocate very low- and low-income units and another set of factors to allocate moderate- and above moderate-income units. The suggestion from HMC members in July was to instead allocate moderate-income units using the factors used to allocate very low- and low-income units. At the August 13 meeting, the HMC had an opportunity to discuss both options for how the income categories could be grouped, but ultimately committee members did not reach any conclusions.

The primary rationale for grouping moderate-income units with lower-income units is that, for most of the Bay Area housing market, moderate-income units are only produced with some type of policy intervention, such as an inclusionary housing policy. This change to the methodology would only affect how moderate-income units are distributed throughout the region; it would have no impact on the number of units a jurisdiction receives in any of the other income categories. In addition, since moderate-income units are 16.5 percent of the RHND, the regrouping only affects a small share of the units allocated by the RHNA methodology.

Using methodology options described in more detail in the next section, **Appendix 1** shows each jurisdiction's allocation by income for two versions of three different methodology options—Version A shows the results when moderate-income units are allocated using the same factors as above moderate-income units and Version B shows the results when moderate-income units are allocated using the same factors as very low- and low-income units. **Appendix 2** shows each jurisdiction's total allocation for the six methodologies and **Appendix 3** includes maps of each of the methodologies. The data for all methodology results is in **Appendix 4**.

Figure 1 shows how each jurisdiction's *growth rate* from its total RHNA allocation changes when the income groupings are adjusted to allocate moderate-income units with the same factors as very low- and low-income units. Since each methodology includes different factors/weights for allocating the moderate-income units, the impacts on a specific jurisdiction will vary depending on the methodology. Figure 1 demonstrates that adjusting how moderate-income units are allocated has modest impacts on jurisdictions' total allocations.

Generally speaking, the main impact is that jurisdictions with more high-income households and High/Highest Resource census tracts⁴ see a slight increase in their moderate-income allocations and overall RHNA, while the larger cities and more economically diverse jurisdictions see a slight decrease in their moderate-income allocations and overall RHNA. These impacts stem from the factors in the methodologies themselves, which emphasize the *Access to High Opportunity Areas* factor for allocating lower-income units. To varying degrees, depending on the underlying

⁴ Based on data from [the state's Opportunity Maps](#).

methodology, allocating moderate-income units using the same factors as the very low- and low-income units tends to increase the allocations for jurisdictions in Marin County, the Tri-Valley, the southern portion of San Mateo County, western Santa Clara County, and portions of Contra Costa County.

Figure 1: Effects of Allocating Moderate-Income Units with Lower-Income Units



Decision Point #1 and Initial Staff Recommendation



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 some type 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.

Section 2: Bottom-Up Methodology Options with 2050 Households (Blueprint) Baseline

Now that the HMC has come to consensus on a baseline allocation and income allocation approach, it can focus its discussions on the factors and weights that best complement that foundation for the RHNA methodology. As a starting place for the committee’s deliberations, staff has provided information about three different methodology options (see **Table 1**). All of these Bottom-Up options use the 2050 Households (Blueprint) baseline allocation.

Two of these options—**Option 1: Jobs Emphasis** and **Option 2: High Opportunity Areas & Jobs**—have been discussed at previous HMC meetings. Option 1 was formerly known as the “Bottom-Up 3-Factor Concept” and Option 2 was formerly known as the “Bottom-Up 2-Factor Concept.” **Option 3: High Opportunity Areas Emphasis** is a new methodology option developed by staff to prioritize the impact of the *Access to High Opportunity Areas* factor. Unlike the other methodologies, this option uses the *Access to High Opportunity Areas* factor to allocate above moderate-income units as well units in other income categories.

As noted above, staff has developed two versions of each of these methodologies: Version A where moderate-income units are allocated using the same factors as above moderate-income units and Version B where moderate-income units are allocated using the same factors as very low- and low-income units. **Appendix 1** shows jurisdiction allocations by income for these six methodologies, **Appendix 2** shows each jurisdiction’s total allocations, and **Appendix 3** includes maps showing RHNA allocations by jurisdiction. The data for all methodology results is in **Appendix 4**.

Table 1: Factors and Weights for Six Potential Methodologies

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

Figure 2: Methodology Options with Adjusted Income Groupings

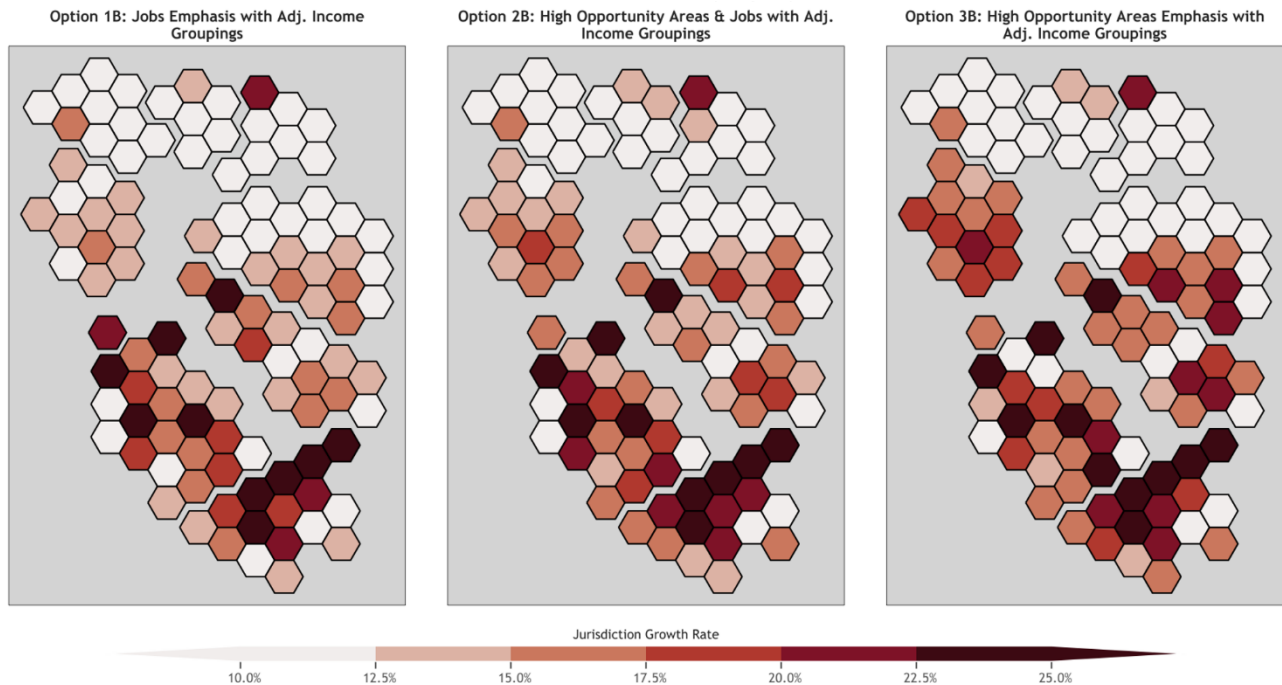


Figure 2 shows the allocation results for the three methodology options with the adjusted income groupings (Version B). **Appendix 3** includes larger maps of the allocation results, including methodologies using the original income groupings (Version A). In general, the three options show similar amounts of RHNA units concentrated in Silicon Valley. San Francisco and Oakland receive their highest shares of growth in Option 1B. Option 3B distributes higher shares of RHNA units to jurisdictions in Marin and the Tri-Valley. The HMC will have an opportunity to make a recommendation about their preferred methodology option in Decision Point #3, after considering an expanded set of performance evaluation metrics, described in more detail below, in Decision Point #2.

Section 3: Evaluating Methodology Options

As noted previously, Housing Element Law requires that the RHNA methodology meet the five statutory objectives of RHNA and that it be consistent with the forecasted development pattern from Plan Bay Area 2050. Staff has assessed the six methodology options mentioned above for consistency with Plan Bay Area 2050 and for how well they address the required RHNA objectives. In analyzing the methodologies success at meeting the RHNA objectives, staff used an expanded set of evaluation metrics, described in more detail below.

Consistency Between RHNA and Plan Bay Area 2050

As noted at the August 13 meeting, the approach that ABAG/MTC staff has identified for determining consistency between RHNA and Plan Bay Area 2050 is based on a comparison of the 8-year RHNA housing growth and the 30-year Plan Bay Area 2050 housing growth. Since the

RHNA allocations are at a jurisdictional level, they have been summed to enable comparison with Plan Bay Area 2050 growth projections, which are identified at the county and subcounty levels. If the 8-year growth level from RHNA does not exceed the 30-year growth level at either of these geographic levels, then RHNA and Plan Bay Area 2050 will be determined to be consistent. This approach provides the HMC some degree of flexibility, while still ensuring that near-to-medium term housing goals remain in alignment with the long-range housing vision in Plan Bay Area 2050.

Staff has evaluated the six methodologies using this approach and determined there are no consistency issues for any of the options as they are currently constructed. As the HMC continues to make refinements as it moves toward the proposed methodology, staff will evaluate the options for consistency and consider potential mitigations in the RHNA and/or Plan Bay Area 2050 processes if issue areas arise. Ultimately, the Final Blueprint (action slated in September 2020) and the Proposed Methodology (action slated in October 2020) will need to be consistent.

Introducing Expanded Evaluation Metrics

The HMC first began to discuss potential performance evaluation metrics for the RHNA methodology at its May meeting. At that time, staff presented an initial set of potential metrics to assist the HMC with assessing whether a proposed methodology will meet the statutory RHNA objectives and further regional planning goals. Staff based some of these metrics on the analysis conducted by HCD in evaluating the RHNA methodologies completed by other regions in California.⁵ Other metrics reflected input from stakeholders and staff's interpretation of statutory language. After receiving feedback from the HMC in May, staff revised the initial set of proposed metrics based on what appeared to be most relevant to HMC members. This revised set of metrics is currently incorporated in the RHNA online visualization tool. Additionally, staff presentations at the July and August 13 HMC meetings used these revised metrics to analyze the methodology options discussed in the materials for those meetings.

At the August 28 meeting, the HMC will have the opportunity to revisit the performance evaluation metrics and make a more formal recommendation about whether to use them. For this discussion, staff is introducing several new metrics to complement the existing set (see **Table 3** for details). As noted in past meetings, each metric corresponds to one of the five statutory objectives. Several of the metrics focused on whether jurisdictions with certain characteristics received a significant share of their RHNA as *lower-income units*. These metrics reflected HCD's analysis in its letters evaluating RHNA methodologies from other regions.

In past HMC meetings, some committee members indicated an interest in exploring metrics that also examine the total number of units assigned to a jurisdiction. These HMC members asserted that it is ultimately less impactful if a jurisdiction receives a high share of its RHNA as lower-income units if that same jurisdiction receives few units overall. Staff agrees that it may be

⁵ For letters HCD sent to other regions, see [this document](#) from the January 2020 HMC meeting agenda packet.

beneficial for the HMC to simultaneously consider both the total allocations that jurisdictions receive and the percentage of those allocations that are lower-income units. Accordingly, each metric that focuses on the share of lower-income units assigned to jurisdictions with certain characteristics has now been paired with a complementary metric that examines whether those jurisdictions also receive a share of the regional housing need that is at least proportional to their share of the region’s households.

Appendix 5 shows the performance evaluation results for the six methodology options described in Table 2 using this comprehensive set of metrics. A value of 1.0 for these new metrics means that the group of jurisdictions’ overall share of RHNA is proportional relative to its overall share of households in 2019, while a value below 1.0 is less than proportional.

Table 3: Revised Set of Proposed Evaluation Metrics

Statutory Objective	Original Metric	Complementary Metric
Objective 1: Does the allocation increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner?	<p>Metric 1a.1: Do jurisdictions with the most expensive housing costs receive a significant percentage of their RHNA as lower-income units?</p> <p>Measurement: Percent of RHNA as lower-income units for the 25 jurisdictions with the most expensive housing costs</p>	<p>Metric 1a.2: Do jurisdictions with the most expensive housing costs receive a share of the region's housing need that is at least proportional to their share of the region's households?</p> <p>Measurement: Ratio of jurisdictions' share of region's total RHNA to jurisdictions' share of region's total households for the 25 jurisdictions with the most expensive housing costs</p>
Objective 2: Does the allocation promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas reductions targets?	<p>Metric 2a: Do jurisdictions with the largest share of the region’s jobs have the highest growth rates resulting from RHNA?</p> <p>Measurement: Average growth rate resulting from RHNA for the 25 jurisdictions with the largest share of the region’s jobs</p>	N/A
	<p>Metric 2b: Do jurisdictions with the largest share of the region’s Transit Priority Area acres have the highest growth rates resulting from RHNA?</p> <p>Measurement: Average growth rate resulting from RHNA for the 25 jurisdictions with the largest share of the Transit Priority Area acres</p>	N/A

Statutory Objective	Original Metric	Complementary Metric
	<p><i>New metric – 2c:</i> Do jurisdictions with the lowest vehicle miles traveled (VMT) per resident have the highest growth rates resulting from RHNA?⁶</p> <p>Measurement: Average growth rate resulting from RHNA for the 25 jurisdictions with the lowest vehicle miles traveled (VMT) per resident</p>	
<p>Objective 3: Does the allocation promote an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low wage workers in each jurisdiction?</p>	<p>Metric 3a.1: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a significant percentage of their RHNA as lower-income units?</p> <p>Measurement: Percent of RHNA as lower-income units for the 25 jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers</p>	<p>Metric 3a.2: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a share of the region's housing need that is at least proportional to their share of the region's households?</p> <p>Measurement: Ratio of jurisdictions' share of region's total RHNA to jurisdictions' share of region's total households for the 25 jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers</p>
<p>Objective 4: Does the allocation direct a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category?</p>	<p>Metric 4: Do jurisdictions with the largest percentage of high-income residents receive a larger share of their RHNA as lower-income units than jurisdictions with the largest percentage of low-income residents?</p> <p>Measure: Percent of RHNA as lower-income units for the 25 jurisdictions with the largest percentage of households above 120% Area Median Income and the jurisdictions with the largest percentage of households below 80% Area Median Income</p>	<p><i>New metric based on total unit allocation to the most disproportionately high-income jurisdictions added to the metrics for Objective 5</i></p>
<p>Objective 5: Does the allocation affirmatively further fair housing?</p>	<p>Metric 5a.1: Do jurisdictions with the largest percentage of households living in High or Highest Resource</p>	<p>Metric 5a.2: Do jurisdictions with the largest percentage of households living in High or Highest Resource</p>

⁶ Staff added this metric to respond to questions from the HMC about whether the RHNA methodology options being considered contribute to reductions in greenhouse gases; VMT and GHG have a high degree of correlation.

Statutory Objective	Original Metric	Complementary Metric
	<p>tracts receive a significant percentage of their RHNA as lower-income units?</p> <p>Measure: Percent of RHNA as lower-income units for the 25 jurisdictions with the largest percentage of households in High or High Resource tracts</p>	<p>tracts receive a share of the region's housing need that is at least proportional to their share of the region's households?</p> <p>Measure: Ratio of jurisdictions' share of region's total RHNA to jurisdictions' share of region's total households for the 25 jurisdictions with the largest percentage of households in High or High Resource tracts</p>
	<p>Metric 5b: Do racially and economically exclusive jurisdictions receive a share of the region's housing need at least proportional to their share of the region's households?</p> <p>Measure: Ratio of jurisdictions' share of region's total RHNA to jurisdictions' share of region's total households for the jurisdictions with above-average divergence scores and percentages of households above 120% of Area Median Income</p>	<p>N/A</p>
	<p><i>New metric – 5c:</i> Do jurisdictions with the largest percentage of high-income residents receive a share of the region's housing need that is at least proportional to their share of the region's households?</p> <p>Measure: Ratio of jurisdictions' share of region's total RHNA to jurisdictions' share of region's total households for the 25 jurisdictions with the largest percentage of households above 120% of Area Median Income</p>	<p>N/A</p>

Decision Point #2: Use of Comprehensive Evaluation Metrics to Evaluate Methodologies



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 original 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 Evaluation Results for Methodology Options

Overall, all of methodology options proposed by staff appear to further the statutory objectives, regardless of how the income categories are grouped. **Option 1A** and **Option 2A** did particularly well on many of the metrics related to jurisdictions' share of RHNA as lower-income units (the original set of metrics). However, for the complementary metrics related to the proportionality of total unit allocations, **Option 1** (Jobs Emphasis), in particular, did not perform as well as other methodology options.

For the metrics related to total allocations, for all of the methodologies, the options where moderate-income units are allocated with lower-income units (**Version B**) tended to perform better than when moderate-income units are allocated with above moderate-income units (Version A). **Option 3** (High Opportunity Areas Emphasis) performs best on the metrics related to total allocations. Below is a summary describing which methodology options appear to most effectively further each of the five statutory objectives:

Objective 1: *Does the allocation increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner?*

- Metric 1a.1: Do jurisdictions with the most expensive housing costs receive a significant percentage of their RHNA *as lower-income units*?
- Metric 1a.2: Do jurisdictions with the most expensive housing costs receive a share of the region's housing need that is *at least proportional to their share of the region's households*?
- **Results:** All options appear to perform relatively well in furthering Objective 1. Option 1A and Option 2A perform best on Metric 1a.1 (which looks at the share of RHNA as lower-income units) and Option 3B performs best on Metric 1a.2 (which looks at the proportionality of total RHNA to existing households). For Metric 1a.1, Option 1A and Option 2A allocate the largest shares of affordable units to the least affordable jurisdictions, resulting in the jurisdictions with the most expensive housing costs

receiving about half of their RHNA as lower-income units. For Metric 1a.2, Option 3B performs best, providing the least affordable jurisdictions with the largest total allocation, which is 20 percent greater than their share of the region's households. On this metric, Option 1A, seeing a just below proportional allocation, is the least successful, as the most expensive jurisdictions receive a share of regional housing need that is less than their share of the region's households.

Objective 2: *Does the allocation promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets?*

- Metric 2a: Do jurisdictions with the largest share of the region's jobs have the highest *growth rates* resulting from RHNA?
- Metric 2b: Do jurisdictions with the largest share of the region's Transit Priority Area acres have the highest *growth rates* resulting from RHNA?
- Metric 2c: Do jurisdictions whose residents drive the least have the highest *growth rates* resulting from RHNA?
- **Results:** Option 1A appears to perform best on all three metrics for Objective 2, resulting in the highest growth rates for jurisdictions with the most access to jobs and transit and the lowest VMT per resident. However, all methodology options are relatively successful at furthering Objective 2.

Objective 3: *Does the allocation promote an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low wage workers in each jurisdiction?*

- Metric 3a.1: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a significant percentage of their RHNA as *lower-income units*?
- Metric 3a.2: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a share of the region's housing need that is *at least proportional to their share of the region's households*?
- **Results:** All options appear to perform well in advancing Objective 3. On Metric 3a.1, Option 1A and Option 2A allocate jurisdictions with the most unbalanced jobs-housing fit the largest shares of their RHNA as lower-income units compared to the rest of the region. On Metric 3a.2, all methodologies perform well, with Option 3B assigning jurisdictions with the most unbalanced jobs-housing fit larger total allocations than they receive from the other methodology options.

Objective 4: *Does the allocation direct a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category?*

- **Metric 4:** Do jurisdictions with the largest percentage of high-income residents receive a larger share of their RHNA as *lower-income units* than jurisdictions with the largest percentage of low-income residents?
- **Results:** All options appear to perform well on Metric 4 and further Objective 4. Every methodology results in jurisdictions with the largest percentage of high-income residents receiving a larger share of their RHNA as lower-income units than jurisdictions with the largest percentage of low-income residents. However, Option 1A and Option 2A allocate disproportionately high-income jurisdictions the largest shares of lower-income units, resulting in these jurisdictions receiving more than 50 percent of their RHNA as lower-income units.

Objective 5: *Does the allocation affirmatively further fair housing?*

- **Metric 5a.1:** Do jurisdictions with the largest percentage of households living in High or Highest Resource tracts receive a significant percentage of their RHNA as *lower-income units*?
- **Metric 5a.2:** Do jurisdictions with the largest percentage of households living in High or Highest Resource tracts receive a share of the region's housing need that is *at least proportional to their share of the region's households*?
- **Metric 5b:** Do jurisdictions exhibiting racial and economic exclusion receive a share of the region's housing need that is *at least proportional to their share of the region's households*?
- **Metric 5c:** Do jurisdictions with the largest percentage of high-income residents receive a share of the region's housing need that is *at least proportional to their share of the region's households*?
- **Results:** All options appear to perform relatively well at advancing Objective 5. On Metric 5a.1, Option 1A and Option 2A allocate the largest shares of affordable units to jurisdictions with the largest percentages of households living in High/Highest Resource tracts, with both methodologies assigning these jurisdictions more than half of their RHNA as lower-income units.

Option 3B performs best on the remaining metrics for Objective 5. On Metric 5a.2, it provides jurisdictions with the most access to opportunity a share of the RHND that is more than 20 percent greater than their share of the region's households. For Metric 5b, Option 3B provides jurisdictions exhibiting racial and economic exclusion the largest allocations relative to their share of the region's households. And, on Metric 5c, Option

3B assigns the largest total unit allocations to jurisdictions with the most disproportionately large percentages of high-income households.

In contrast, Option 1A does not perform particularly well in allocating a share of RHND proportional to the jurisdictions' share of total households to jurisdictions with the most access to resources (Metric 5a.2), jurisdictions exhibiting racial and economic exclusion (Metric 5b), or disproportionately high-income jurisdictions (Metric 5c).

Decision #3: Methodology Option to Continue to Consider



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, please 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.