Meeting Agenda - Final

ABAG Housing Methodology Committee

Chair, Jesse Arreguin, Mayor, City of Berkeley

Friday, January 24, 2020	**10:00 AM**	**Yerba Buena - 1st Floor**

Association of Bay Area Governments
Housing Methodology Committee

The ABAG Housing Methodology Committee may act on any item on the agenda.
The meeting is scheduled to begin at 10:00 a.m.
Agenda and roster available at https://abag.ca.gov
For information, contact Clerk of the Board at (415) 820-7913.

Roster
Josh Abrams, Anita Addison, Jesse Arreguin, Rupinder Bolaria, Rick Bonilla, Michael Brilliot,
Monica Brown, Amanda Brown-Stevens, Paul Campos, Ellen Clark, Diane Dillon, Forrest Ebbs,
Pat Eklund, Jonathan Fearn, Victoria Fierce, Neysa Fligor, Mindy Gentry, Russell Hancock,
Paolo Ikezoe, Welton Jordan, Megan Kirkeby, Brandon Kline, Jeffry Levin, Scott Littlehale,
Fernando Marti,
Rodney Nickens, Jr., Julie Pierce, Bob Planthold, Darin Ranelletti, Matt Regan, Jane Riley,
Carlos Romero, Elise Semonian, Aarti Shrivastava, Vin Smith, Matt Walsh

1. Call to Order / Roll Call / Confirm Quorum

2. Public Comment

Information

3. Chair's Report

3.a. 20-0178 Chair's Report

Action: Information

Presenter: Jesse Arreguin

Attachments: Item 3 1 Meeting Presentation v4.pdf

Item 3 2 Correspondence from HMC Members v2.pdf

Item 3 3 Meeting 3 Notes v2.pdf

Item 3 4 RHNA_PBA50_Connections_v2.pdf

Item 3 5 RHNA_PBA50_Connections_Presentation_v2.pdf

Item 3 6 HMC #3 - Factors Discussion Slide Notes.pdf

4. Consent Calendar

4.a.   [20-0179](20-0179)   Approval of ABAG Housing Methodology Committee Minutes of
December 19, 2019

Action: Approval

Presenter: Clerk of the Board

Attachments: [Item 4 Minutes 20191219 Draft.pdf](Item%204%20Minutes%2020191219%20Draft.pdf)

5. RHNA Methodology Factors

5.a.   [20-0180](20-0180)   Continuation of the Discussion of Potential Factors to Include in the RHNA
Methodology

Staff will provide information about potential factors for inclusion in the
RHNA methodology based on the feedback provided at the December
meeting.

Action: Information

Presenter: Gillian Adams

Attachments: [Item 5 1 Summary Sheet - Methodology Factors v1.pdf](Item%205%201%20Summary%20Sheet%20-%20Methodology%20Factors%20v1.pdf)

[Item 5 2 Attachment A - Potential Factors Toolkit v3.pdf](Item%205%202%20Attachment%20A%20-%20Potential%20Factors%20Toolkit%20v3.pdf)

Lunch / Break

6. RHNA Methodology

6.a.   [20-0181](20-0181)   Report on Draft Proposal of Criteria for Evaluating Allocation Methodology
Options

Staff will provide an overview of draft criteria for evaluating allocation
methodology options as they are developed. The proposed criteria are
based on the review of other regions' draft methodologies by the California
Department of Housing and Community Development (HCD).

Action: Information

Presenter: Megan Kirkeby, Assistant Deputy Director for Fair Housing, California
Department of Housing and Community Development

Attachments: [Item 6 1 Summary Sheet - Evaluation Criteria v2.pdf](Item%206%201%20Summary%20Sheet%20-%20Evaluation%20Criteria%20v2.pdf)

[Item 6 2 Attachment A - Summary of HCD Review v2.pdf](Item%206%202%20Attachment%20A%20-%20Summary%20of%20HCD%20Review%20v2.pdf)

[Item 6 3 Attachment B - HCD Letters v2.pdf](Item%206%203%20Attachment%20B%20-%20HCD%20Letters%20v2.pdf)

7. Adjournment / Next Meeting

_The next regular meeting of the ABAG Housing Methodology Committee is on February
18, 2020._

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章：MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

File #:	20-0178	**Version:** 1	**Name:**	
Type:	Report		**Status:**	Informational
File created:	1/14/2020		**In control:**	ABAG Housing Methodology Committee
On agenda:	1/24/2020		**Final action:**	
Title:	Chair's Report			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	Item 3 1 Meeting Presentation v4.pdf			
	Item 3 2 Correspondence from HMC Members v2.pdf			
	Item 3 3 Meeting 3 Notes v2.pdf			
	Item 3 4 RHNA_PBA50_Connections_v2.pdf			
	Item 3 5 RHNA_PBA50_Connections_Presentation_v2.pdf			
	Item 3 6 HMC #3 - Factors Discussion Slide Notes.pdf			

Date	Ver.	Action By	Action	Result

Chair's Report

Jesse Arreguin

Information

WELCOME

ABAG Housing
Methodology Committee

January 24, 2020

PUBLIC COMMENT

ABAG Housing
Methodology Committee

January 24, 2020

Continuing Discussion of Methodology Factors

ABAG Housing
Methodology Committee

January 24, 2020

Considering RHNA factors

- December HMC

  - Discussion about Plan Bay Area 2050 as a factor in the methodology

  - Review of other sample methodologies

  - Brainstorm potential factors for RHNA methodology

  - Prioritize factors for further exploration

- January HMC

  - Staff: identify potential factors in response to HMC priorities

  - HMC continues to refine its top priorities for factors

  - Focus on factors for total allocation; income allocation at future meetings

Using the Plan Bay Area Blueprint

- **Option 1:** use forecasted development pattern from the Blueprint to direct RHNA allocations

- **Option 2:** use a hybrid approach that uses the forecasted development pattern from the Blueprint along with additional factors to represent policy goals that are underrepresented in the Blueprint to direct RHNA allocations

- **Option 3:** do not use forecasted data from the Blueprint, but include factors that align with the policies and strategies in the Blueprint to direct RHNA allocations

Potential factors for consideration

FACTORS FROM PLAN BAY AREA 2050	
Factor	**Definition**
Local growth	Jurisdiction's share of the region's household growth based on Plan Bay Area 2050 forecasts.
Future jobs	Jurisdiction's share of the region's jobs in 2030 based on Plan Bay Area 2050 forecasts.
Transit accessibility (projected)	Jurisdiction's projected percentage of the region's households within Transit Priority Areas based on Plan Bay Area 2050 forecasts.

Potential factors for consideration

FAIR HOUSING AND EQUITY	
Factor	**Definition**
Access to high resource areas	The percentage of a jurisdiction's households living in census tracts labelled High Resource or Highest Resource based on opportunity index scores.
Existing need (cost burden)	The percentage of a jurisdiction's households that are cost-burdened, meaning that a household pays more than 30% of its income to housing costs.
Existing need (overcrowding)	The percentage of a jurisdiction's households living in overcrowded housing, meaning a household with more than one resident per room in a dwelling.

Potential factors for consideration

JOBS AND JOBS-HOUSING FIT	
Factor	**Definition**
Existing jobs	Jurisdiction's current share of region's total jobs.
Job accessibility	Share of region's total jobs that can be accessed from a jurisdiction by a 30-minute commute.
Jobs-housing balance	Ratio of jobs within a jurisdiction to the number of housing units in the jurisdiction.
Jobs-housing fit	Ratio of low-wage jobs (less than $3,333/month) within a jurisdiction to the number of low-cost rental units (less than $1,500/month) in the jurisdiction.

Potential factors for consideration

TRANSPORTATION	
Factor	**Definition**
Transit connectivity	Jurisdiction's percentage of the region's total acres within Transit Priority Areas (TPAs).
Transit accessibility (current)	Jurisdiction's existing percentage of the region's households within TPAs.

Potential factors for consideration

OTHER TOPICS OF IMPORTANCE	
Factor	Definition
Natural hazards	Percentage of acres within a jurisdiction's urbanized area in locations with low risk from natural hazards according to the MTC/ABAG Multi-Hazard Index.
Permits issued for lower-income units	The jurisdiction's share of permits issued for very low- and low-income units relative to total permits issued during the 2007-2014 RHNA cycle.

Discussion

- Approach for addressing race and segregation

- Priorities within each category (fair housing/equity, jobs/jobs-housing fit, etc.)

- Priorities between categories

PUBLIC COMMENT

ABAG Housing
Methodology Committee

December 19, 2019

Draft Criteria for Evaluating Methodology Options

ABAG Housing Methodology Committee

January 24, 2020

Proposed methodology evaluation criteria

- Based on analytical framework used by HCD to evaluate draft RHNA methodologies from Sacramento, San Diego and Los Angeles regions

- Organized by required RHNA objectives from Housing Element Law

Proposed methodology evaluation criteria

- *Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.*

  - Does the allocation direct more lower-income RHNA to jurisdictions with more single-family homes or to jurisdictions with higher housing costs?

Proposed methodology evaluation criteria

- *Objective 2: Promoting 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.*

    - Does the methodology focus on where housing is needed to encourage transit ridership and reduce commutes?

    - Does the allocation incorporate long-range planning focused on infill development and job centers?

Proposed methodology evaluation criteria

- *Objective 3: Promoting 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.*

  - Does the allocation direct more lower income RHNA to jurisdictions with a higher overall number of low-wage jobs?

  - Does the allocation direct more lower income RHNA to jurisdictions with a higher number of low-wage jobs compared to units affordable to low-wage workers?

Proposed methodology evaluation criteria

- *Objective 4: Allocating 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.*

  - Does the allocation direct a larger share of RHNA units in an income category to jurisdictions with a smaller share of existing households in that income category?

Proposed methodology evaluation criteria

- ***Objective 5**: Affirmatively furthering fair housing.*

  - Does the allocation direct more lower income RHNA to jurisdictions with no areas of high segregation/poverty or low resource areas and the most areas in high or highest resource census tracts, as defined in the HCD/TCAC Opportunity Maps?

  - Do jurisdictions with large low resource areas or areas of high segregation/poverty receive less lower income RHNA than the regional average?

PUBLIC COMMENT | ABAG Housing Methodology Committee

January 24, 2020

WRAP UP AND NEXT STEPS

ABAG Housing
Methodology Committee

January 24, 2020

TO: Housing Methodology Committee   DATE: December 19, 2019

FR: Deputy Executive Director, Policy

RE: <u>HMC Member Correspondence</u>

Overview
This memo provides an overview of the correspondence received since the December 19th meeting.

1. **Bob Planthold - December 19, 2019 - RHMC -- Disability comments NOT being reported [Civil Rights is NOT a cafeteria-style selection process]**

   Staff and ABAG Chair Arreguin,

   Despite publicly raising, several times, the need for comparability of inclusiveness of people with disabilities along with people of color in RHMC considerations, such is not being formally reported by staff.

   At the first mtg. I mentioned such. Nobody then present said no. At today's [3rd] mtg., I again raised it early—right after hearing some members mention the need & benefits to somehow include some way to specifically include people of color in our group's considerations. Again, right afterward, I mentioned how including people of color while omitting people with disabilities [p.w.d.s] would be problematic, especially considering that p.w.d.s are a legally-protected class.

   Yet, during the small group session [Item 6], when someone wrote on one of the Post-It cards that people of color ought to be considered, I immediately but ORALLY said that IF it is legally allowable to somehow develop a way to factor in people of color in RHNA calculations/ considerations, then so must p.w.d.s also be factored in.

   Yet, during the oral report-out, the staff moderator for our group did not include p.w.d.s in his report of what our group considered. This happens too often--that oral comments about responding to / including p.w.d.s are somehow omitted from the formal notes/ record. Worse, it is bothersome that NOBODY, whether from RHMC or staff or the public ever mention or, as in the case with our Item 6 small group discussion, respond to any comments about / for p.w.d.s.

   Silence is neither acceptance nor recognition of this topic. It is important that the record/ notes from today's 3rd mtg. be corrected. Somehow, people seem unaware that adding p.w.d.s in to the mix of populations in need of special responsiveness can add political impact to the overall push for more & better housing, rather than taking away $$ or

political impact from those solely advocating for people of color. Frankly, if this neglect continues, there will be unfavorable publicity—about this latest attempt to broaden & improve RHNA considerations.

In SF the Mayor's Disability Council is cable-/ web-cast live, and taped for future replays—reaching tens of thousands of people in SF. Plus, there are disability councils in Oakland, Berkeley, Marin and elsewhere, to which p.w.d.s in those jurisdictions pay attention. That is apart from publicizing such neglect of responding to p.w.d.s to:

- independent living centers in many Bay Area Counties,
- public interest law firms,
- alternative newspapers and radio [KPFA and KALW],
- blogs by advocates for housing, transit, and environmental services,
- major commercial tv and radio stations.

Finally, it may help if we get some researched legal opinion whether / how RHNA analysis and consideration can—or cannot—include people of color and therefore also people with disabilities in this process.

Bob Planthold

2. **Joshua Abrams - December 19, 2019 - Idea for engaging the audiences**

Hi,

It would be nice to think about ways to involve the audience. I know there are legal issues we need to keep in mind, but even with those, I think we can be more inclusive. They are spending their time and have valuable expertise as well. For example, why not allow them to complete the small group exercises as well? I understand the answers should be tallied separately, but that's fine, have the members summary and then the audience summary. It is helpful for me to know other stakeholders opinions as well. I'd also be fine if the audience had clarification questions as well. It might be helpful for everyone.

Josh

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Joshua Abrams
Baird + Driskell Community Planning
tel 510.761.6001
email abrams@bdplanning.com
www.bdplanning.com

3. **Joshua Abrams - December 20, 2019 - resource sharing**

One more comment.

I think some people are still not understanding what we are doing. I wonder if it would be helpful to remind them. It seems like just looking at a chart with RHNA numbers and cities and say, the only thing we have power to decide is these numbers.

Just a thought

J

Joshua Abrams
Baird + Driskell Community Planning

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4. **Bob Planthold - December 30, 2019 - resource sharing**

Interesting possibility about a way to increase housing, but not sure how it might affect RHNA process.

https://www.vox.com/2019/12/27/21039043/ibrahim-samirah-virginia-single-family-zoning

Bob Planthold

5. **Bob Planthold - December 31, 2019 - New analysis shows San Diego housing construction remains weak despite incentives - The San Diego Union-Tribune**

Since ABAG is using an analysis by SANDAG, thought this story a worthwhile adjunct.

https://www.sandiegouniontribune.com/communities/san-diego/story/2019-12-30/new-analysis-shows-san-diego-housing-construction-remains-weak-despite-incentives

Bob Planthold

6. **Bob Planthold – January 15, 2020 – resource sharing**

Since some are advocating for special formulae on allocation of housing to people of color, in the realistic expectation that there is a lower income?? level and / or %-age of?? people of color who are working [full or part-time] please look at the stats. in this attachment, on the income levels and %-ages of people with disabilities who are working full or part-time.

Indicative that this "legally protected class" also fails to get proper responsiveness in providing needed housing.

Bob Planthold

Attachment available here: https://www.bls.gov/news.release/disabl.nr0.htm

MEMO

To: RHNA HMC Team
From: Civic Edge Consulting
Date: December 24, 2019
RE: December 19 HMC Meeting #3 Notes - DRAFT

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Meeting Info
HMC Meeting #3
Thursday, December 19, 2019
Alameda County Transportation Commission

Meeting Notes by Agenda Item

1. **Call to Order/ Roll Call / Confirm Quorum – Jesse Arreguín**

2. **Public Comment**

3. **Chair's Report – Jesse Arreguín**

4. **Consent Calendar**

5. **Relationship Between Plan Bay Area 2050 and Regional Housing Needs Allocation – Dave Vautin**

HMC Member Questions/Comments:

- **Bob Planthold:** Regarding the RHNA factor concerning loss of units in assisted housing and how the Plan Bay Area Blueprint will not likely reflect this factor (Table 2, Page 5), Planthold stressed that people in assisted housing rely on the services these developments provide. Asked if there are any alternative calculations or analyses being done to deal with the fact that as contracts expire, there will be seniors and people with disabilities left without housing.
  - **Gillian Adams:** Noted this is an area that gets addressed more specifically in local Housing Elements. She clarified that separate factors are being considered within RHNA and the Housing Element.

- **Matt Walsh:** Noted that in the latest update to Plan Bay Area for Solano, there was a technical error in growth assumptions. Asked whether previous errors will be corrected in this newest update.
  - o **Vautin:** Stated that in order to improve UrbanSim, Plan Bay Area used BASIS. Through BASIS local jurisdictions could review all data in UrbanSim that is now being integrated into the model. He noted this is a major update to Plan Bay Area 2050, not just a minor revision and stated that new strategies are being integrated and reevaluated because of this.

- **Ruby Bolaria Shifrin**: Noted that most of Plan Bay Area's projections are based on UrbanSim. Shifrin asked for further clarity about these assumptions and the input that helps inform these projections.

- **Pat Eklund:** Inquired about a briefing on further detail surrounding UrbanSim and asked how the system will change to specifically address concerns about past errors and inconsistencies.

- **Josh Abrams:** Inquired about how UrbanSim and its zoning assumptions work in Plan Bay Area and asked whether the Blueprint considers how cities will alter their zoning policies.
  - o **Vautin:** Explained that UrbanSim is a model that allows staff to understand how public policies affect growth in the region. Stated that it contains a base map of all parcels in the Bay Area and their existing zoning ,and based on input from local jurisdictions, Plan Bay Area modifies the policies in these parcels to show how specific jurisdictions would change when new policies are in place. Clarified that UrbanSim uses a pro forma analysis that is affected by both the market and public policy and that the analysis affects decisions on housing development, types of housing, and number of affordable units. Vautin also noted that the UrbanSim model has gone through a series of updates in order to get from 1.0 to 2.0. He specifically stated that a key improvement to the model is the new baseline data that makes sure the Blueprint is informed by the best data that reflects on-the-ground conditions today. He also noted that the model's update has the improved strategies being worked into the plan, and that these are listed on page 2 of the packet.

- **Noah Housh:** Asked whether the factors in Plan Bay Area are weighted in anyway and if so, how they are assigned.
  - o **Vautin:** Clarified that Plan Bay Area 2050 is informed by policies, and RHNA is informed by factors. He noted that the output of strategies for Plan Bay Area could be used as input to RHNA process and the HMC's methodology factors. Stated that the issue of weighting is more appropriate for RHNA.

- **Monica Brown:** Expressed concerns about integrating the Blueprint for Plan Bay Area into the RHNA process and asked why this integration has to be considered at the beginning of the methodology process rather than at the end of the process.
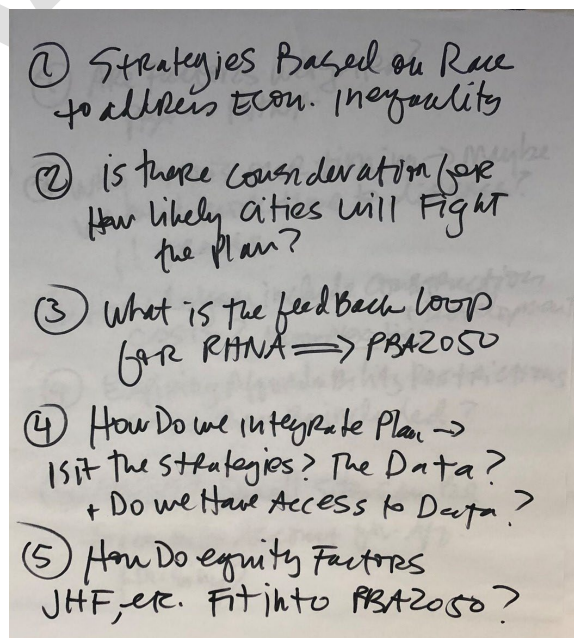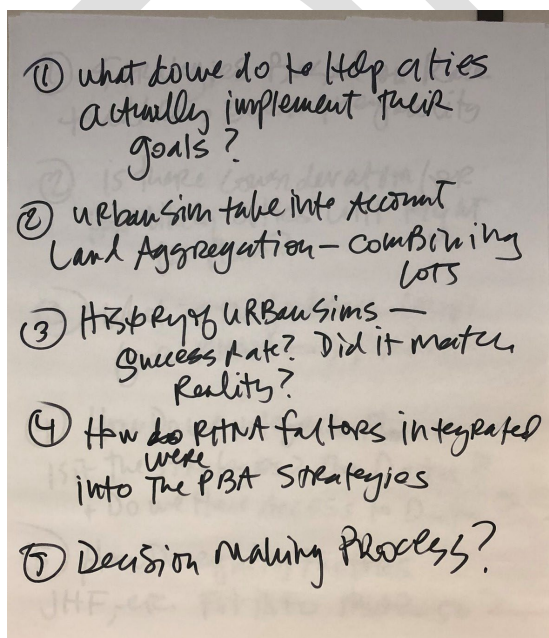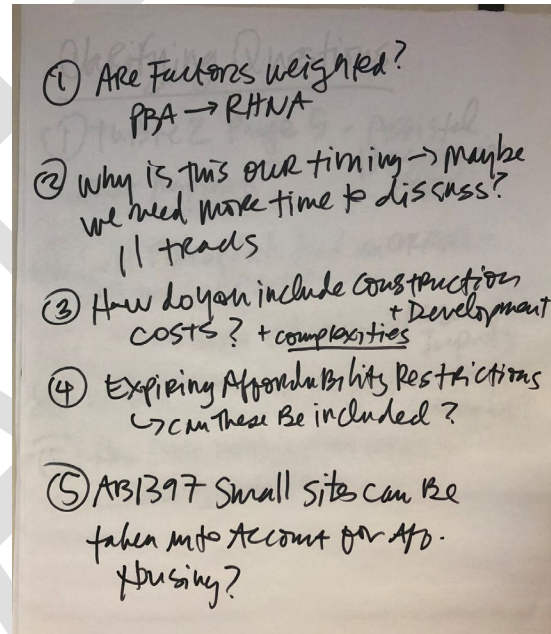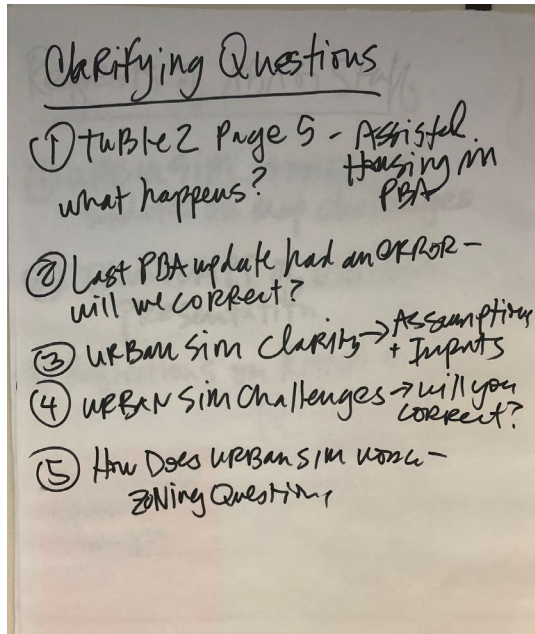
- o **Vautin:** Expressed that staff is not asking the HMC to make a decision about integration right now and said Plan Bay Area is a resource if members want to use the data in their methodology.

- **Scott Littlehale:** Shared that a factor that should be considered in the methodology is development costs and inquired as to whether this is part of the model's inputs.

- **Fernando Martí:** Inquired as to whether state-wide data on expiring affordable units restrictions can be incorporated into the factors. Seconded Littlehale's question and asked that when considering cost factors for housing development, whether affordability of construction is a factor that can be considered specifically.
  - o **Vautin:** Noted that UrbanSim takes into consideration construction costs in development and creates an opportunity for us to understand if growth will be actualized under a certain set of local policies.

- **Elise Semonian:** Asked staff to confirm if AB1397 is factored into the plan and inquired as to whether small sites or vacant lots are taken into consideration for housing development.
  - o **Vautin:** Confirmed that the plan does look at affordable housing in all parcels across the region, including direct funding that will allow affordable housing to be built on different parcel sizes.

- **Welton Jordan:** Asked whether there are strategies that take into consideration race in order to address economic inequality in the plan.
  - o **Vautin**: Expressed that this issue is contingent on which strategies MTC and ABAG directors select to inform Plan Bay Area. Vautin noted that an example of such a strategy in the Plan is the identification of high resource areas and the increase of development capacity in these places. Vautin noted that many of these places have been racially exclusive in the past, and that Plan Bay Area 2050 will work to expand housing growth within these areas.

- **Victoria Fierce:** Noted that strategies and plans cannot be effective if implementation does not take place. Noted that many proposed plans to allocate housing run into conflicts. Asked if there has been any consideration for or an analysis done on how likely a city may be to fight against housing plans.
  - o **Vautin:** Plan Bay Area does allow for a nuanced understanding about the likelihood of housing development in certain areas in the region versus others and how to overcome approval barriers.

- **Jeffrey Levin:** Inquired as to how RHNA can inform Plan Bay Area and asked what the feedback loop is for this process.
  - o **Vautin:** Noted that legally, RHNA must be consistent with Plan Bay Area, not the other way around.

- **Neysa Fligor:** Asked whether the HMC will integrate the planned strategies of Plan Bay Area into the RHNA process at a high level, or only the data that support the planned strategies. Requested that members have access to this data.
    - o **Vautin:** Stated that Plan Bay Area contains inputs (strategies) and outputs (growth distribution numbers). RHNA can use these outputs, as well as a set of factors and data sets that align with the Plan in the methodology.

- **Ellen Clark**: Asked how the equity factors that have been discussed in the RHNA process are being incorporated into Plan Bay Area 2050.
    - o **Vautin:** Explained that Plan Bay Area is actively working on strategies for the Blueprint, such as the housing strategies and economic strategies, to balance housing and jobs and access to opportunities.

- **Fierce:** Inquired as to whether there any mechanisms to provide strategies to cities that can help them meet their housing allocation numbers.
    - o **Vautin:** Noted that this issue is another reason it will be beneficial to sync RHNA and Plan Bay Area 2050 because the Plan is identifying specific policies to help local jurisdictions meet housing allocation numbers and growth.

- **Jonathan Fearn**: Inquired as to whether UrbanSim takes into consideration land aggregation and defined this term as combining one or more lots and in order to allow for a larger project.
    - o **Vautin**: Stated that the model takes into consideration land aggregation.

- **Forrest Ebbs:** Asked for a description of the history of UrbanSim as a model and its validation rate.
    - o **Vautin:** Explained that UrbanSim has been used since the original Plan Bay Area was created in 2013. Stated this is a common model that is consistently used across the country. Noted that UrbanSim was originally developed at UC Berkeley. Plan Bay Area uses UrbanSim to understand how policies affect housing growth patterns in the region in order to decide which policies should be advanced to enable growth and development. Regarding validation, Vautin explained that this is nuanced. He stated that Plan Bay Area generated a forecast for housing growth in 2040, and that we now see less housing growth and distribution of growth taking place than projected. Vautin expressed that this is because not all aspects of the Plan have been implemented on the local, regional, or state level and that this has resulted in real-life growth distribution that is not yet aligning to the plan.

- **Housh:** Asked for staff to clarify how RHNA factors were integrated into the Plan Bay Area strategies.
    - o **Vautin:** Clarified that RHNA factors are not required as part of the Plan Bay Area planning process, and that Plan Bay Area has its own requirements. Vautin noted that some factors listed in the meeting packet are already integrated into the Blueprint.

- **Abrams**: Inquired about the decision-making process and which bodies weigh in on the Plan Bay Area strategies.
    - **Vautin:** Stated that Plan Bay Area's decision making is an ongoing parallel process to the RHNA process. He explained that the HMC and other advisory groups inform the Plan, as well as MTC and ABAG committees. Vautin also noted that major decisions are taken to the ABAG Board and MTC Commission.

- **Vautin:** Closed this agenda item by stating that the HMC will have the chance to hear more about Plan Bay Area 2050, and staff will return as strategies are better defined in order to provide new resources to the group.

Clarifying Questions

1. Table 2 Page 5 - Assisted Housing in PBA. what happens?
2. Last PBA update had an ERROR - will we correct?
3. urban sim clarity → Assumptions + Inputs
4. urban sim Challenges → will you correct?
5. How Does urban sim work - zoning Questions

1. Are Factors weighed? PBA → RHNA
2. why is this our timing → maybe we need more time to discuss? 11 treads
3. How do you include Construction Costs? + Development + complexities
4. Expiring Affordability Restrictions → can these be included?
5. AB1397 Small sites can be taken into Account for Afd. Housing?

1. what do we do to Help cities actually implement their goals?
2. urbansim take into Account Land Aggregation - Combining Lots
3. History of urbansims — success rate? Did it match Reality?
4. How do RHNA factors were integrated into the PBA Strategies
5. Decision making Process?

1. Strategies Based on Race to address Econ. Inequality
2. is there consideration for How likely cities will Fight the plan?
3. What is the feedback loop for RHNA ⟹ PBA2050
4. How Do we integrate Plan → Is it the strategies? The Data? + Do we Have Access to Data?
5. How Do equity Factors JHF, etc. Fit into PBA2050?

Public Comment:

- **Tim Frank, Center for Sustainable Neighborhoods**
  Stated that he believes Plan Bay Area and RHNA are critical to development patterns in the Bay Area and think it would be good to have them informing one another. He expressed that when thinking about the overall goal of the methodology, members must keep in mind that this cycle will result in higher allocation numbers and plan accordingly in order to implement them. Frank also stated that an issue that arises with these high numbers is the need for a workforce to build the housing required regionally, and that he believes there is an opportunity to build in a strategy to address this in Plan Bay Area. Frank expressed that the last round of Plan Bay Area reduced the amount of housing that was asked for from high resource areas, but acknowledged that this cycle's blueprint addresses this issue.

- **Pat Eklund, Marin County**
  Requested a written document on the changes to UrbanSim and a list of cities that were taken into consideration for these changes.

- **Diane Dillon, Napa County**
  Objects to having members of the committee making public comments.

6. Introduction to Factors via Housing Methodology Committee's Goals – Gillian Adams

HMC Member Questions/Comments – Clarifying Questions:

- **Bob Planthold:** Noted that there may be a disconnect between equality and housing distribution in the factors, especially concerning jobs – and the distribution of jobs and resources to neighboring towns.
  o **Adams:** Stated that a jobs factor is only one option. Noted that other options based on the examples given is access to jobs, not the jobs themselves.

- **Monica Brown:** Asked for a copy of this agenda item's presentation in the meeting minutes.
  o **Adams:** Stated that staff will provide this for HMC members.

- **Eklund:** Asked whether ABAG staff has conducted a reflective pros/cons study on the RHNA numbers from the last cycle and received feedback on the chosen methodology.
  o **Adams:** Stated that staff has not conducted this type of study, and would be interested in hearing more about proposed criteria.
    ▪ **Eklund:** Stated that there were a number of appeals concerning the methodology in the last cycle of RHNA, and that she would be interested in seeing if this was due to specific flaws. Noted that it may be beneficial for the HMC to reflect and see the reactions of the jurisdictions affected

by the last round's numbers. Inquired as to whether ABAG staff has received any specific feedback on this issue.
- ○ **Adams:** Responded stating no such feedback has been received.

- **Bolaria Shifrin**: Noted that SCAG's formula used for total units is separated by projected and existing need and inquired about how this was divided. She asked for clarification on the allocation of housing for disadvantaged communities, and how this was calculated using their existing versus projected need.
  - ○ **Adams:** Stated that when this calculation was done based on needs determination, staff factored in both existing and projected need. Noted that she was not sure how these were split in the calculation. Stated that if a jurisdiction was disadvantaged and received a higher allocation number than growth in their regional plan, this RHNA allocation was dispersed elsewhere.

- **Darin Ranelletti**: Asked whether the factors can vary based on income category – so that, for example, a low-income category would have a different methodology than a middle-income category.
  - ○ **Adams:** Noted this is possible.

- **Semonian**: Suggested that staff look back at the last round of RHNA, as well as at the number of permits and approvals issued in the last round and use this data to see if we are furthering RHNA by approving applications.
  - ○ **Adams:** Noted that recommendations such as this will be discussed at a later time during the meeting.

- **Fierce:** Asked whether other methodologies, such as SCAG's methodology, have quantified the objective of affirmatively furthering fair housing.
  - ○ **Adams:** Responded noting that other regions have gone in different directions on this requirement. Explained that some have used income allocations and opportunity mapping from the state as a mechanism to introduce low income housing into high opportunity areas.

- **Fligor:** Asked whether the HMC will define terms like transit access and job access when building the methodology, or rely on definitions already set.
  - ○ **Adams:** Stated that the HMC gets to decide on these definitions as they create the methodology but can also decide to use pre-existing state definitions of these terms.

HMC Member Questions/Comments – Discussion Question "to what extent should the RHNA allocation methodology integrate the Plan Bay Area 2050 Blueprint?":

- **Housh:** Stated that he does not feel he is informed enough on the Plan to make the decision at this point. Also expressed concern that the timeline of Plan Bay Area 2050 will not align with the timeline of RHNA. Requested to understand how the mandates for RHNA influence Plan Bay Area 2050, and to have a copy of the Plan.

- **Paul Campos:** Expressed that the voluntary nature of Plan Bay Area and Priority Development Areas (PDAs) has led to the ability of high resource cities that would qualify as transit priority areas to opt-out of Plan Bay Area and the Housing Elements. Stated that he believes MTC and ABAG staff need to change this voluntary option, and also stated that it is important to note that many areas rely on the SCS for RHNA**.**

- **Amanda Brown-Stevens:** Expressed that aligning RHNA with a voluntary system does not make sense and that she does not want to use Plan Bay Area in this methodology.

- **Ebbs:** Stated he thinks there is value in Plan Bay Area 2050 but is not convinced UrbanSim is the best tool for the methodology and does not want to commit to using forecasting that has not been proven reliable.

- **Levin:** Expressed relying on a voluntary process is problematic, especially with the new factors required for RHNA for this cycle. Stated that he believes that RHNA also must explicitly take race into account when determining housing need, and that the HMC needs to ensure this is done to meet the objective of affirmatively furthering fair housing. Levin also expressed that furthering fair housing also means providing access to opportunity, and preventing displacement, and that the HMC should also look at existing need within cities when deciding on the methodology.

- **Michael Brilliot:** Noted that the previous methodology relied on PDAs to advance growth and thinks that the HMC must understand where and what PDAs are, and also where the high opportunity areas and high vehicle traveled areas are located, when building the methodology. Regarding Plan Bay Area, he expressed that it is difficult to discuss integrating it into the RHNA process when the group does not fully understand the Plan, and also noted that climate change is a major outcome missing in this process.

- **Bolaria Shifrin:** Seconded that it would be useful to look at information from the PDAs used in the last round of RHNA and to see if housing growth projections were correct. Stated that the HMC also must think about how "opportunity zones" play a role in this process and how they affect development.

- **Abrams:** Requested revisiting and reviewing the 21 Elements. Stated that he is inclined to trust the information from Plan Bay Area 2050 because it has more resources, but has concerns about integrating a plan into the RHNA process the group has not yet seen.

- **Eklund:** Noted that she is unsure about integrating Plan Bay Area into RHNA because local governments have experienced difficulty influencing policies in previous cycles of the Plan. Seconded her colleagues' comments that RHNA allocations must incorporate climate change, sea level rise, and high fire danger as factors.

- **Planthold:** Asked staff to present a comparison of the previous cycles of Plan Bay Area and RHNA to the HMC. Stated that both race and the rights of legally protected classes

of people, such as the disabled, should be taken into consideration for housing allocations.

- **Romero:** Requested to see the connection between affordable housing and PDA grants. Stated that he wants the HMC to think about enforcement of allocations, and how PDA grants can positively contribute to this.

- **Clark:** Stated that it will be difficult to commit to integrating Plan Bay Area into RHNA at its current stage, but that she does see the benefit of being informed by the plan and its strategies for implementation.

- **Fierce:** Expressed that she likes the idea of using Plan Bay Area as a regional resource when putting together the methodology. Stated that she has concerns about relying on PDAs as certain cities chose to neglect to participate in the past. Recommended using TCAC maps to see which cities would be more receptive to meeting RHNA goals.

- **Rick Bonilla:** Stated that he sees an advantage of using PBA, but agrees that certain less successful aspects of the plan must be reexamined and be improved before used. He noted that there has been a lot of resistance to moving PDAs forward in San Mateo county, and that there needs to be more than volunteerism for implementation.

- **Julie Pierce:** Expressed that she is concerned about PDA criticism. Noted there are PDAs that have been approved, but cannot be built due to construction costs. Cities are willing, and there are a lot of factors going into whether the PDA process was successful or not.

- **Martí:** Noted that under RHNA, the HMC is tied to a larger set of requirements than the strategies under discussion in Plan Bay Area. Expressed that he would like to see jobs-housing fit and jobs-housing balance considered in Plan Bay Area before taking the plan into consideration for RHNA, as well as racial equity in terms of examining communities that are facing displacement and how this should affect allocation of both low and high income housing in those areas.

- **Littlehale:** Noted that on the issue of construction costs, he is looking to develop a regionally considered approach to address the shortage of contractors and laborers that is contributing to the rising costs of construction and housing.

Summary of information the HMC needs to make a decision about PBA and RHNA:

- How does Plan Bay Area influence RHNA?
- Draft of Plan Bay Area
- Better understanding of UrbanSim
- Where are PDAs? Did cities participate? Where are VMTs? Where are High Opportunity Areas?
- PDAs last time – was there growth there?
- What about fire hazards / exposure – how is this factored in?

- Results of Plan Bay Area 2013 and RHNA #5
- What was the effect of affordable housing policies?
- Jobs/housing fit and jobs/housing balance – how does Plan Bay Area handle?
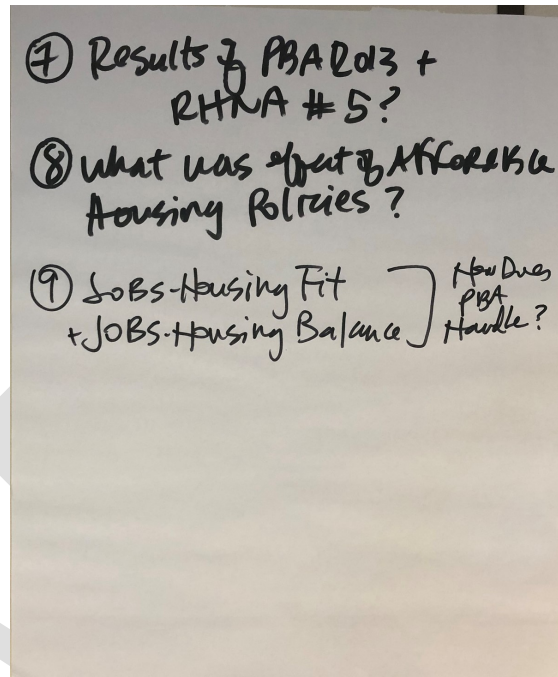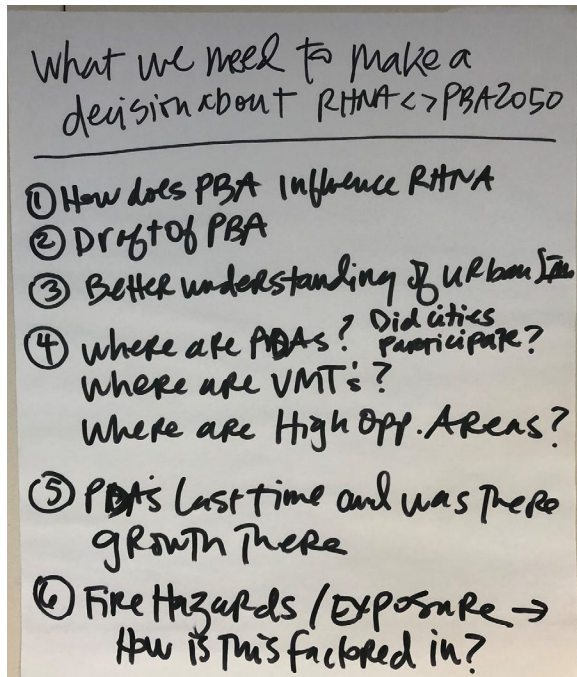
Public Comment:

- **Tim Frank, Center for Sustainable Neighborhoods**
  Encouraged the group to focus on PDAs when developing the methodology. Stated that when PDAs were integrated into previous cycles of Plan Bay Area as a grant program, it was a successful strategy for communities that needed regional resources to advance their planning. Frank stated that in the latest cycle of Plan Bay Area, PDAs were repurposed as an input to the RHNA process that became voluntary and thus discriminatory. He noted that his group and other advocacy groups protested this to ABAG staff and HUD, and the BIA sued on this issue, and that this change resulted in the previous RHNA methodology being 70% sustainable, and 30% equitable. Expressed that this was a problem.

- **Aaron Ekhouse, California YIMBY**
  Echoed concerns for the use of PDAs in the RHNA process as they have enabled exclusion based on how they have been drawn. Eckhouse also raised concerns about utilizing a methodology that moves housing types towards areas where they are not prevalent. He stated that this would result in the placement of high-income housing in low income areas and enable displacement and gentrification. Urged the HMC to look to Sacramento as an example method of moving affordable housing to low income areas, but not stopping the development of high-income housing in higher income areas. Eckhouse also encouraged the group to look at way to integrate CASA concepts into the RHNA process.

- **David Early, Placeworks**
  Pressed for the committee to examine the links between regional methodologies and look to what SCAG is doing. Pressed for definitions of the terms existing and projected need and an explanation for how they are calculated.

- **Justine Marcus, Enterprise Community Partners**
  Commended group for their engagement in the RHNA process thus far. Encouraged the committee to keep RHNA objectives front and center during this process. Also stressed that they must consider racial segregation and access to high opportunity areas in order to prevent displacement. Marcus reminded the group that it is their responsibility to hold themselves accountable to state mandated RHNA factors.

- **Shajuti Hossain, Public Advocates**
  Stated that the concept of affirmatively furthering fair housing was born during the Civil Rights movement, and that race, as well as people with disabilities, should be considered in the RHNA process. She stressed that race must be used as a factor in the RHNA methodology since as previous methodologies have not truly considered this factor thus far. She expressed that the committee needs to ensure housing allocation numbers are distributed to wealthier, white areas, and that doing this will make sure that the Bay Area is a diverse and equitable place for all to live.

Group Work Exercise Report Outs:

Overall themes:
- Creating housing close to jobs and transit hubs was a priority for the majority of the small groups, whether it was requiring communities creating jobs to also create housing or building housing close to high quality transit
- Groups similarly prioritized affirmatively furthering fair housing and working to negate historical racism. Strategies included targeted growth in low- to mid-income communities while being sensitive to displacement risk
- Other key concerns included:
  - Accommodating natural disaster or climate change risks
  - Creating housing for construction workers that's central to areas with a high number of building projects to reduce greenhouse gas emissions and vehicle miles travelled
  - Planning for seniors, people with mobility challenges, and those dependent on social security insurance

Bass Lake

Jobs/ Jobs-Housing Fit
- Communities that are creating jobs should also create housing – 4 dots
- Consider calculating jobs-housing fit to take into account low wage jobs with a short commute radius and not just within a jurisdiction – 2 dots

- Job change – 1 dot
- Existing job numbers + conservative job growth estimate – 1 dot
- Proximity/ easy access to jobs

Fair Housing/ Equity
- Racial segregation – 3 dots
- Affirmatively further fair housing + racial equity also requires not over-targeting mid- to low-income communities as this produces racial displacement – 2 dots
- Addressing income imbalances requires adjusting total units, not just income shares – 2 dots
- Variety of housing options – 1 dot
- Equity means houses within our community – not by the freeway – 1 dot
- Low income population percentage
- Consider reasons why affordable housing is not being built and factor that in (expensive sites, small sites, developed sites)

Transit
- Close, easy access to transit – 2 dots
- Distribution between stops is important: Frequency – rush hours, daytime, night – 2 dots
- Access to multiple transportation options

Other Topics of Importance
- Existing need: overcrowding and cost burden – 4 dots
- Impact on community traffic – 2 dots
- Income – what happens if there is a big spread between high earners and those on SSS/ SS and fixed incomes – 1 dot
- Geography/ size of jurisdiction
- Allow communities to plan for the best way to facilitate housing development. Forcing – PDAs won't help. Give us numbers, let us plan.

Sandy Wool Lake

Jobs/ Jobs-Housing Fit
- Overall housing growth directed into proximity (transit or car) to jobs – 8 dots
- Jobs numbers created and lack of housing. Balance each of these going forward with transit as a factor – 4 dots
- Historic production; median jobs/housing; those left behind by prosperity – 2 dots
- Look at all 4 income groups, not just one – 1 dot
- Affordable housing numbers tied to proximity (car or transit) to low-wage or mid-wage jobs

Fair Housing/ Equity
- Racial equity. Look at low-income POC communities ("at-risk", "sensitive") need for affordable housing – 4 dots

- Affirmatively furthering fair housing includes overall housing growth plus low-income and middle-income housing – 2 dots
- Money and jobs lead to displacement. Access to resources

Transit
- Who rides? Equity. Cost of transit. Jobs near BART – 1 dot
- Multimodal transportation network – 1 dot
- GHG reduction goal. Includes not just transit, but overall proximity to jobs.

Other Topics of Importance
- Construction labor supply. Affirmative actions to support workforce development – 2 dots
- Moderate-income strategy, if not subsidized, requires affordable construction (4-6 story wood-frame max.) – 1 dot

General Notes
- Transit related to VMT/ GHG reduction
- Connectedness of multi-modal network
- Workplace to where the housing is at
- Where jobs are, but not enough housing
- Future growth: functional transit, equitable transit, smart transit.
- Affirmatively further fair housing: high resource areas not only need more low-to-mid-income housing, but also need to address the needs of those areas as well
- Labor (construction) development is not part of RHNA, but is what makes RHNA happen
- Look where jobs are (including projected growth), and put housing in proximity
- Look to alternative and potential places for job growth
- Not just transit. If the transit doesn't connect to jobs, that wouldn't work.

<u>Lake Del Valle</u>

Jobs/ Jobs-Housing Fit
- Affirmatively further fair housing within the context of jobs-housing fit and past development income targets – 4 dots
- Put homes near jobs! – 4 dots
- Base housing on existing income level – not census tracts; housing jobs; balance of high + low – 1 dot
- Lack of access to jobs – jobs outside jurisdiction but nearby
- Converse relationship between jobs and housing. A lot of jobs should have a lot of housing units allocated.

Fair Housing/ Equity – 6 dots for the general category
- Tax credits – build smaller homes. Have balance of high & low incomes – 2 dots
- HUD/ FHA money so that everyone can buy a home – 1 dot
- Should be most important factor

Transit

- Less of a factor. Housing where jobs are located based on income levels and pay levels regardless of transit availability – 2 dots
- Prioritize transit and job centers. Transit is important and places with high job concentration and less transit should still be prioritized – 2 dots
- Less emphasis on transit. Places without transit use lack of transit to block housing. New housing in non-transit areas but with jobs will reduce VMT. Like the idea of transit access if transit is nearby
- Transit – not fair to be used as a reason for housing

Other Topics of Importance

- Wildfire risk, flood risk – 4 dots
- Base allocations on past development and numbers of units built, compliance with previous RHNA – 1 dot
- Err on the side of simplicity in the methodology – 1 dot
- Allocate above-moderate units based on market availability, otherwise units allocated to places won't get built.
- RHNA – mandate low income home number. Need a cap!
- Cap to potential increases

Water Dog Lake
Jobs/ Jobs-Housing Fit

- Many more construction workers will need to be co-located with projects to reduce GHGs and VMT – 5 dots
- Jobs-housing disparity – 1 dot
- Jobs-housing ratio in current cycle, projected jobs next cycle. Commute-shed - 1 dot
- Job-housing disparity; differences between jurisdictions – 1 dot
- Geography for jobs not limited to single jurisdiction
- Where are jobs being generated, but not housing?
- Need to take into account both existing rations and projected trends

Fair Housing/ Equity

- High resource areas more housing units – 1 dot
- Race and ethnicity – percentage of foreign born as proxy for immigrant – 1 dot
- Risk for gentrification (looking at analysis of areas that are at risk for gentrification as a factor for more affordable housing)
- Achieving equity by assigning more units to high-resource areas and assigning affordable units to these areas
- Support for using state definition of high resource area since this is consistent with Plan Bay Area

Transit

- Include coordination with major regional effort to improve mass transit – must carry more equitably, conveniently, and efficiently – 3 dots

- Access to quality transit. 10-15-minute headway (rail heavier weighted than local bus lines) – 1 dot
- TPA Location – state definition of Transit Priority Area – 1 dot
- Transit Access

Other Topics of Importance
- No upper limit based on prior RHNA numbers – 1 dot

Stafford Lake

Jobs/ Jobs-Housing Fit
- Share of regular jobs accessible within 30 minutes – 7 dots
- Jobs-housing imbalance as measured by jobs per employed residents – 1 dots
- Proximity to transit: bus/rapid and frequency of 15 minutes
- Proximity to jobs
- High wage jobs

Fair Housing/ Equity
- For lower income housing – high opportunity areas that have high access to jobs – 2 dots
- Race/segregation: concentration on race and income – 2 dots
- Deed restricted housing lost – 1 dot
- Project approved: Pipeline v. Certificates of Occupancy

Transit
- Proximity to high quality transit – 1 dot
- Access to high quality transit as a factor, but not a top weighted factor because transit service can be modified – 1 dot
- Proximity to high quality transit (Rail, Bus, Airports)

Other Topics of Importance
- Schools + educational opportunities – 1 dot
- Good schools
- Existing need and future need/ growth
- Permits issued versus housing built
- Entitlement to certain occupancy ratio
- Inefficient uses of nonagricultural land
- Existence of infrastructure (water, sewers)
- Infill opportunities, existence of utilities, underutilized land

Lake Ralphine

Jobs/ Jobs-Housing Fit
- Job accessibility, including fit by income level
- SCAG Job Accessibility
- Making housing affordable for low-wage workers

Fair Housing/ Equity
- Affirmative furthering fair housing (high resource areas) – 4 dots
- Diversity of health facilities that take Medi-Cal versus private insurance – 1 dot
- School performance metrics: graduation rates, achievement tests, funding per pupil, class sizes –1 dot
- Medi-Cal enrolled populations – 1 dot
- Proportion of high opportunity areas
- TCAC opportunity maps
- High-resource opportunity areas
- Per-capita home value
- Sensitive/ disadvantaged communities

Transit
- Use approved housing units not permitted – 3 dots
- Proximity (within ¼ mile) to major transit stations and hubs, not all bus stops – 3 dots
- GHG footprint – 1 dot
- Transit accessibility- quality and density of network – 1 dot
- Factor in number of existing deed restricted housing and what jurisdictions are doing for the homeless – 1 dot
- Include sea level rise and fire prone properties in UrbanSim + HRA – 1 dot
- Per capita historic transit investment
- Factor of land availability for housing (zoned)
- Transit-rich/high frequency transit
- Transit rich areas (frequency to high quality rapid transit)
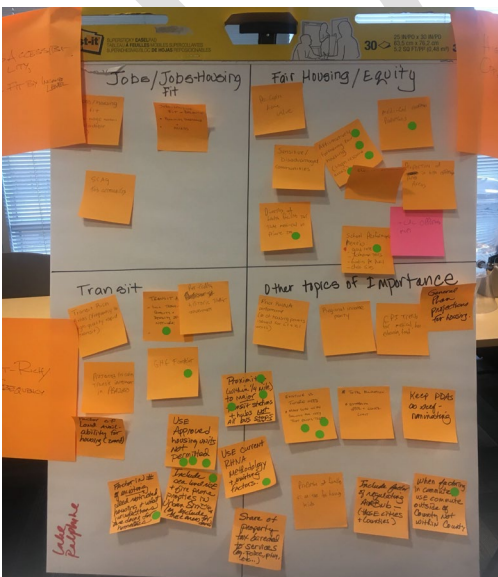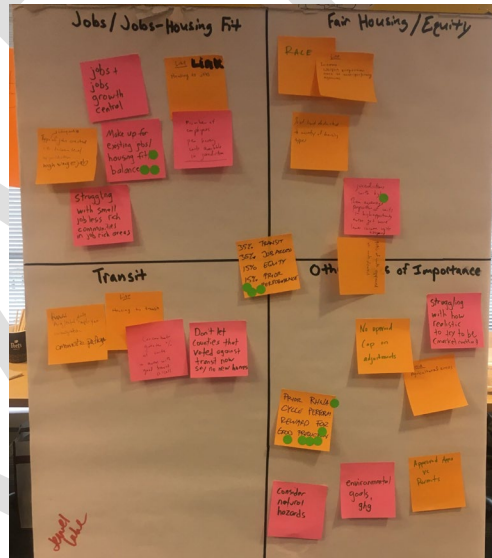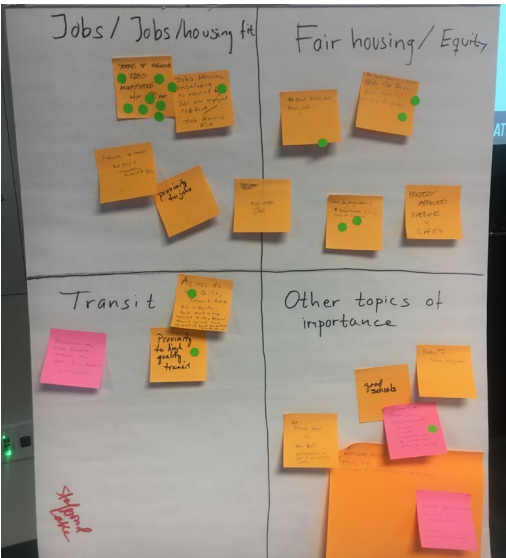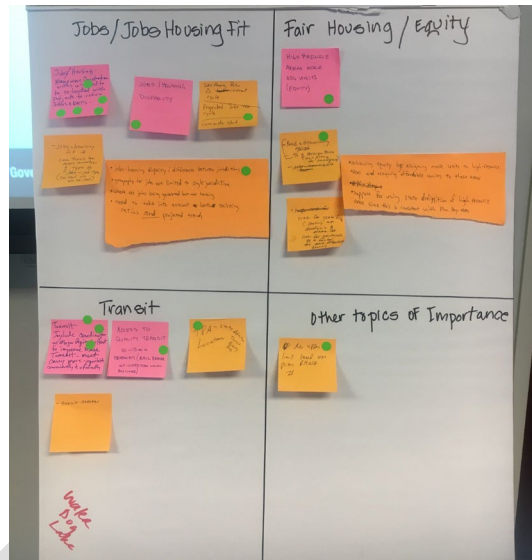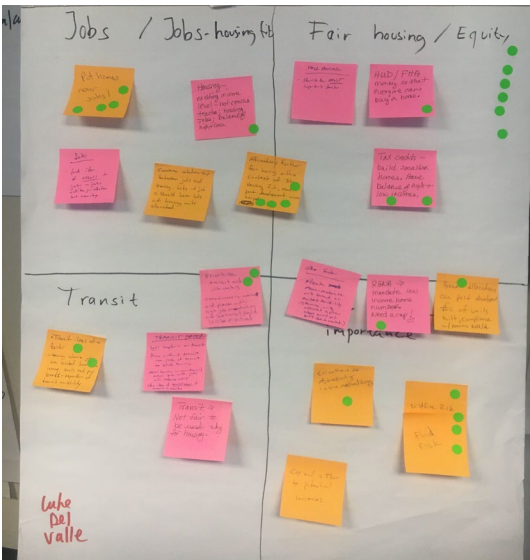- Protect per capita transit investment in PBA

Other Topics of Importance
- Existing versus future need- make sure we are solving need that exists today – 3 dots
- When factoring in commute, use commute outside of county, not within county – 1 dot
- Prior RHNA performance (number of housing permits issued for LI & VLI units)
- Regional income parity
- CPI trends for medical, education, and food
- General plan projections for housing
- Total allocation- establish upper and lower limit
- Keep PDAs as self-nominating
- Proportion of families at an age for having kids
- Include factors of regulating Airbnb's (cities and counties)
- Share of property tax directed to services (e.g. police etc.)

Jewel Lake

Jobs/ Jobs-Housing Fit
- Make up for existing jobs/housing-fit/balance – 3 dots
- Jobs + jobs growth central
- Link housing to jobs

- Number of employees per housing units available in jurisdiction
- Struggling with small jobs, less rich communities in job rich areas
- Types of jobs create and income level by jurisdiction
- High wage jobs

Fair Housing/ Equity
- Jurisdiction with higher than average proportion of units in high opportunity areas get more lower income units assigned – 1 dot
- Race
- Percentage of land dedicated to a variety of housing types
- Types of units approved versus units denied

Transit
- Like: housing to transit
- Average/ total daily employee migration - commute patterns
- Concentrate greater percentage of units in areas with good transit access
- Don't let counties that voted against transit now say no to new homes

Other Topics of Importance
- Prior RHNA cycle performance reward for good production – 6 dots
- Struggling with how realistic to try to be (market conditions)
- No approved cap on adjustments
- Avoid: agricultural areas
- Consider natural hazards
- Environmental goals – GHG
- Approved applications versus permits

General Notes
- 35% Transit, 35 % Job Access, 15% Equity, 15% Prior Performance – 3 dots

Public Comment:

- **Tim Frank, Center for Sustainable Neighborhoods**

  Expressed that he was excited by seeing members vote on factors he agrees with. Stated that he approaches each of these factors with building affordable housing front of mind and in all different contexts, such as in areas closer to transit, or farther from transit, and also in higher resource areas that may not have transit. Frank stated he believes that the final objective of RHNA should be an end goal sustainable 20, 40, and even 50 years form bow. He urged the committee to think of this goal as a more integrated region connected with overall transit access. He stated that this can be achieved by thinks that this goal must be a more integrated region with overall transit access. He explained that this goal can be achieved via suburban retrofit and allow access to the entire region for those who are transit dependent. Frank stressed this goal and strategies to achieve it need to be prioritized, in addition to placing adorable housing in areas that are higher opportunity and have access to good jobs and schools.

- **David Early, Placeworks**

  Stated that he was impressed by the comments and work done by HMC members at the meeting. Expressed that he wanted to specifically note that a member acknowledged thinking critically about changing the housing allocation criteria, how it has been formulated previously, and how it can be changed. He noted that there are alternative ways to determine housing allocations than the previous methods, and that members can choose to create methodologies for areas based on income, racial factors, and job characteristics and statistics.

7. Regional Housing Need Determination from Housing and Community Development

- **Ranelletti:** Asked for clarification how the need determination currently considers unsheltered residents.
    - **Adams:** Noted this would be considered in the population forecast, which states who is here now and who will be here in the region in the future whether they are housed or not.

Public Comment:

- **Tim Frank, Center for Sustainable Neighborhoods**

  Stated that based off the input factors, it is easy to predict that the Bay Area should expect increased allocation numbers. In order to get local jurisdictions to comply with these numbers, Frank urged the committee to think proactively about how to get them to accept and plan to meet these numbers accordingly. He suggested putting programs in place that will help jurisdictions build the housing allocated. Frank noted that this is predominantly the responsibility of Plan Bay Area, and not part of the RHNA process, but stated that it is important to consider this work when building the methodology as well.

- **Aaron Eckhouse, California YIMBY**
  Expressed that this RHNA cycle is a great opportunity for all welcome the determinations from the state to address the housing need in the Bay Area, and that we should hope for a robust number of 1 million housing units from the state.

- **Cory Smith, Bay Area Housing Advocacy Coalition**
  Stated that it is well documented that California has a 3.5 million housing shortage across the state. Expressed that taking into consideration this state-wide shortage, as well as Southern California's allocation numbers and job predictions, the Bay Area should be held accountable to build a minimum of 1 million homes across all income levels.

8. Wrap Up + Next Steps

Requests of ABAG Staff
- UrbanSim issues – updates on map challenges
- Transcript of Gillian's presentation
- Reflections on RHNA 5
- How are we handling "unhoused individuals" in the Needs Assessment?
- Definitions of terminology for the methodology
- Links to the methodologies online
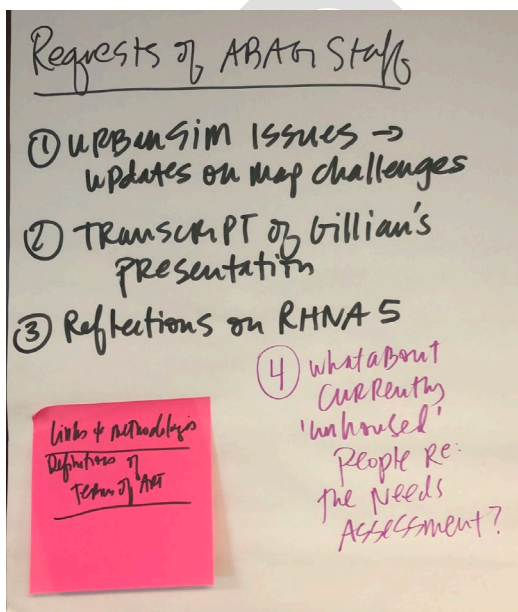
Meeting Photos

January 10, 2020   Agenda Item 5b

Connections between the Regional Housing Need Allocation (RHNA) and Plan Bay Area 2050

Subject: Overview of connections between RHNA and Plan Bay Area 2050, the long-range regional plan for transportation, housing, the economy, and the environment, focusing on statutory requirements and potential further integration in 2020.

Background: Both RHNA and Plan Bay Area 2050 must integrate future housing growth at all income levels, and both focus on the same geography – the nine-county San Francisco Bay Area. Plan Bay Area 2050 is driven by conceptual strategies to be advanced on the state, regional, or local levels – e.g., inclusionary zoning or development subsidies – designed to influence the location and type of growth. These strategies are integrated into a parcel-based simulation model, UrbanSim 2.0, which forecasts the market feasibility of new development based on these assumed public policies and generates a future-year land use pattern.

Unlike Plan Bay Area 2050, RHNA is a factor-driven allocation process. Rather than forecasting future growth as driven by assumed public policies, the RHNA process is defined by metrics and factors that typically are used to craft a formula to allocate housing needs by income level. These factors can be reflective of current regional conditions, or they can include historic or future forecast data points. Unlike Plan Bay Area 2050, RHNA is focused on the short-to-medium term housing needs through the year 2030; it has a stronger implementation lens as it is directly related to Housing Elements on the local level. Lastly, unlike Plan Bay Area 2050's Regional Growth Forecast which is developed by ABAG/MTC, the Regional Housing Needs Determination (RHND) used for RHNA is developed by the state Department of Housing and Community Development (HCD) with select opportunities for input by ABAG.

Statutory Requirements: Statutory requirements that connect these processes are relatively limited:

1. **RHNA must be consistent with the development pattern from the Plan[1]. Housing Element Law does not provide a definition of consistency or specific guidance about how it should be achieved.** Historically, MTC/ABAG has interpreted the consistency requirement to mean that the eight-year RHNA housing allocation for a given jurisdiction should not exceed the 30-year Plan housing forecast for the same jurisdiction. While this has historically not been a major issue, the significant expected increase in RHND, combined with the introduction of the requirement that the RHNA affirmatively further fair housing, may require greater reconciliation between the Plan Blueprint's strategies and the RHNA methodology's factors.
2. **Subregional shares must be generated based on the Plan[2].** For any designated subregions, the share of the RHND allocated to that subregion must be generally based solely on the long-range plan, as opposed to other factors that may be integrated into the methodology.
3. **Key assumptions from the Plan's Regional Growth Forecast should be provided to the state during the RHND consultation process[3].** However, the state is not required to integrate Council of Governments input on population growth estimates unless that total regional population forecast for the projection

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[1] California Government Code 65584.04(m)
[2] California Government Code 65584.03(c)
[3] California Government Code 65584.01(a)

year is within ±1.5 percent of the state's own forecast for the Bay Area. Similarly, the state will take under advisement information on overcrowding, etc. from the Regional Growth Forecast, but it may exercise appropriate discretion when calculating the RHND for a given region.

Issues: Using growth forecasts from the Plan Bay Area 2050 Draft Blueprint and/or Final Blueprint as a factor for RHNA can be an effective way to ensure consistency between the Plan and RHNA. ABAG has used the Plan as a significant component of the RHNA allocations in the past, although it should be noted that this is not required under state law. The Plan Bay Area 2050 Blueprint will likely align with most of objective and factor requirements of the RHNA process. Action on specific strategies this winter by MTC/ABAG, such as integrating new areas for growth beyond Priority Development Areas (PDAs) to achieve critical equity goals, will determine the extent of that alignment.

In general, staff recommend that the RHNA methodology integrate the Plan Bay Area 2050 Blueprint to some extent, in part to maximize consistency between the two efforts and in part to address a suite of important RHNA objectives and factors. That said, the HMC will advise the ABAG Regional Planning Committee on its recommended methodology, including the extent to which the Plan Bay Area 2050 Blueprint should be used as part of the RHNA allocation methodology.

At the December HMC meeting, staff presented the option to integrate the Plan Blueprint as one of the RHNA factors as a recommendation to the HMC. Many members noted it was premature to do so, lacking direction from the boards on the strategies to be integrated into Plan Bay Area 2050 Blueprint. Other members flagged the focus of past plans on Priority Development Areas, noting that voluntary nature of PDAs may make it harder to reach equity and GHG reduction outcomes. Action by the MTC Planning and ABAG Administrative committees later this winter could help to provide clarity to the HMC on the specific strategies being integrated, particularly with regards to growth geographies and associated housing policies.

Next Steps: Staff looks forward to feedback regarding if, and how, the Plan Blueprint should be integrated into the RHNA methodology. Furthermore, staff will be looking for direction on a suite of housing strategies, including expanding the growth pattern in Plan Bay Area 2050 to incorporate Transit-Rich Areas and High-Resource Areas, at the upcoming Commission/ABAG Board workshop. Integration of such geographies could make it easier to sync the Plan process with the RHNA process, as well as yielding more sustainable and equitable outcomes for the region.

Recommendation: Information

Attachments: Attachment A: Presentation
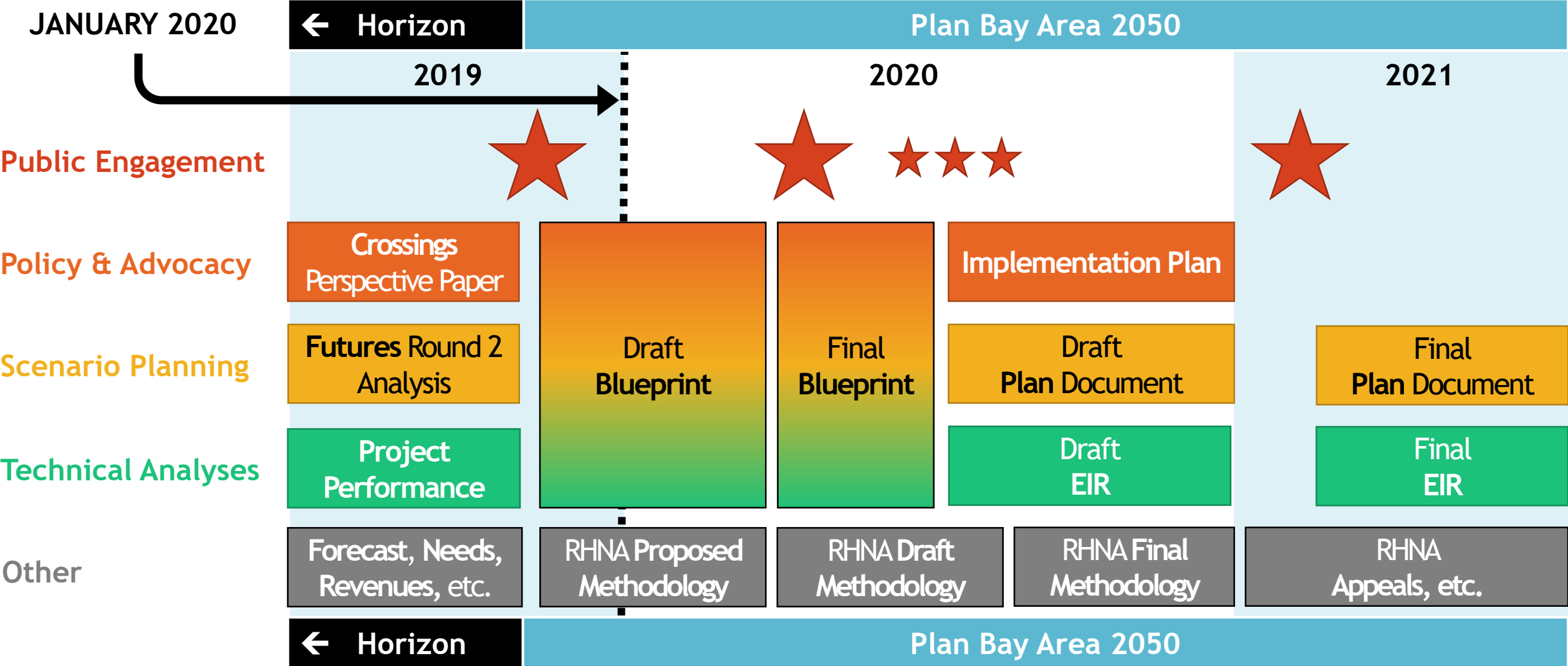
Therese W. McMillan

PLAN BAY AREA 2050

Connections between RHNA and Plan Bay Area 2050

MTC Planning Committee with ABAG Administrative Committee

January 10, 2020 - Dave Vautin, MTC/ABAG

Plan Bay Area 2050 and RHNA: How are they <u>similar</u>?

- Both RHNA and Plan Bay Area 2050 **must integrate future housing growth at all income levels** (very-low, low, medium, high).

- Both efforts **focus on the same geography** – the nine-county San Francisco Bay Area.

Per California Government Code 65584.04(m)(1) as amended by Senate Bill 375:

"[RHNA] shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy" (i.e., Plan Bay Area 2050).

Connections between RHNA and Plan Bay Area 2050

3

PLAN BAY AREA 2050

Plan Bay Area 2050 and RHNA: How are they **different**? (1)

- Plan Bay Area 2050 is **driven by conceptual strategies to be advanced on the state, regional, or local levels** – e.g., inclusionary zoning or development subsidies – designed to influence the location and type of growth.

- RHNA is **a factor-driven allocation process**, where metrics and factors are typically used to craft a formula to allocate housing needs by income level.

- Unlike Plan Bay Area 2050, **RHNA is focused on the short-to-medium term housing needs through the year 2030**; RHNA has a stronger implementation lens as it is directly related to Housing Elements on the local level.

PLAN BAY AREA 2050

Plan Bay Area 2050 and RHNA: How are they <u>different</u>? (2)

- In a world of uncertainty, it is difficult to predict future growth trends and housing needs - as we explored in the Horizon process. However, **both processes rely on a singular forecast.**

- Plan Bay Area 2050's Regional Growth Forecast is **developed by MTC/ABAG** with input from regional stakeholders and a technical advisory group of economic experts.

- RHNA's Regional Housing Needs Determination (RHND) is **developed by the state Department of Housing and Community Development** (HCD) with select opportunities for input by ABAG.

Connections between RHNA and Plan Bay Area 2050

PLAN BAY AREA 2050

Statutory Requirements

RHNA must be consistent with the development pattern from the Plan[1].

- **Housing Element Law does not provide a definition of consistency or specific guidance about how it should be achieved.** Historically, MTC/ABAG has interpreted the consistency requirement to mean that the eight-year RHNA housing allocation for a given jurisdiction should not exceed the 30-year Plan housing forecast for the same jurisdiction.

Subregional shares must be generated based on the Plan[2].

- **For any designated subregions, the share of the RHND allocated to that subregion must be generally based solely on the long-range plan**, as opposed to other factors that may be integrated into the methodology.

Key assumptions from the Plan's Regional Growth Forecast should be provided to the state during the RHND consultation process[3].

- **However, the state is not required to integrate Council of Governments input on population growth estimates** unless that total regional population forecast for the projection year is within ±1.5 percent of the state's own forecast for the Bay Area.
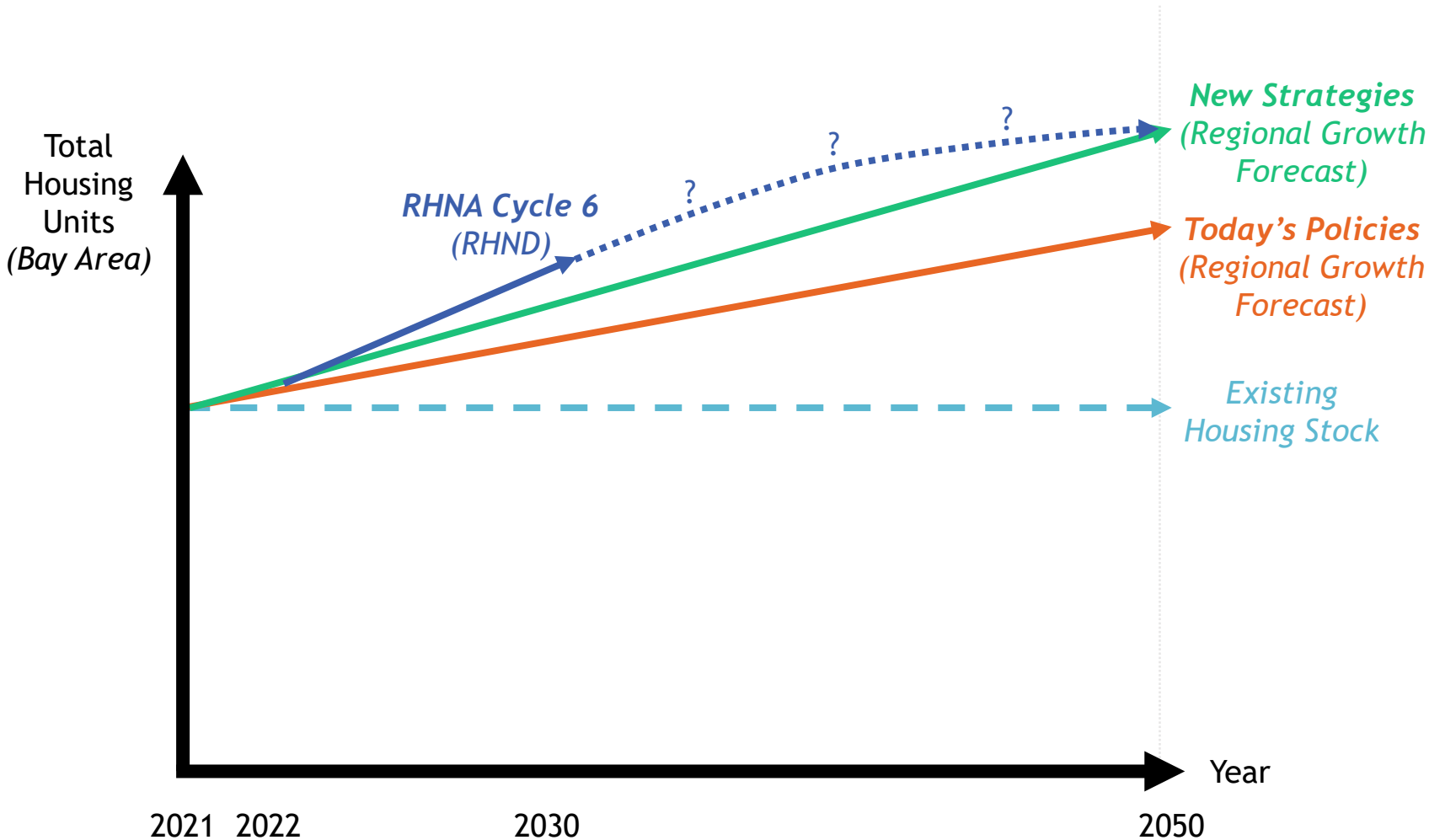
1. *California Government Code 65584.04(m)*
2. *California Government Code 65584.03(c)*
3. *California Government Code 65584.01(a)*

PLAN BAY AREA 2050

Plan Bay Area 2050 and RHNA:
What are some key definitions for both processes?

RHNA				Plan Bay Area 2050
April 2020: Receipt of Final RHND from HCD	**Regional Housing Need Determination (RHND).** *Total housing need through 2030 determined by HCD.*	**1**	**Regional Growth Forecast.** *Projection of population, jobs, and housing through 2050.*	**January 2020:** MTC/ABAG Workshop *(Draft)* **April 2020:** Joint Planning *(Final)*
April 2020: Housing Methodology Committee **Spring 2020:** ABAG Executive Board *(Proposed)*	**Factors/Methodology.** *Metrics & weights that must meet statutory requirements.*	**2**	**Strategies.** *Assumed policies and investments to influence the location of new homes and jobs.*	**February 2020:** Joint Planning *(Draft)* **Summer 2020:** Joint Planning *(Final)*
May 2020: ABAG Executive Board *(Proposed)* **Fall 2020:** ABAG Executive Board *(Draft)* **Winter 2020-21:** ABAG Executive Board *(Final -- **Action Item**)*	**Allocation.** *Result of applying methodology to total need to determine jurisdiction allocations.*	**3**	**Blueprint.** *Result of modeling how strategies influence the distribution of housing & jobs on the local level.*	**May 2020:** Joint Planning *(Draft)* **September 2020:** Joint Planning & Commission/Board *(Final -- **Action Item**)*

PLAN BAY AREA 2050

RHNA: Regional Housing Need Determination
Plan Bay Area 2050: Regional Growth Forecast

1

Total Housing Units (Bay Area)

RHNA Cycle 6 (RHND)

? ? ?

New Strategies (Regional Growth Forecast)

Today's Policies (Regional Growth Forecast)

Existing Housing Stock

Year

2021 2022   2030   2050

How has MTC/ABAG typically evaluated consistency between these two efforts?

Consistency Issue #1

Plan Bay Area 2050 Growth in Bay Area housing units through year 2050

≥

RHNA Need for Bay Area housing units through year 2030

Consistency Issue #2

Plan Bay Area 2050 Local forecasted housing growth through year 2050 *(Blueprint)*

≥

RHNA Allocation of housing need to local jurisdiction through year 2030

2 RHNA: Factors & Methodology *(under development)*
Plan Bay Area 2050: Housing Strategies *(draft)*

Spur Housing Production

Allow a Greater Mix of Housing Densities and Types in Growth Areas. Expand the geographic footprint for focused growth beyond Priority Development Areas (PDAs) to Transit-Rich Areas and High-Resource Areas.

Streamline Development in Growth Areas. Apply a set of development streamlining measures, including faster development approvals and lower parking requirements.

Transform Aging Malls and Office Parks into Mixed-Income Neighborhoods. Enable new land uses at these locations and support multi-benefit development goals.
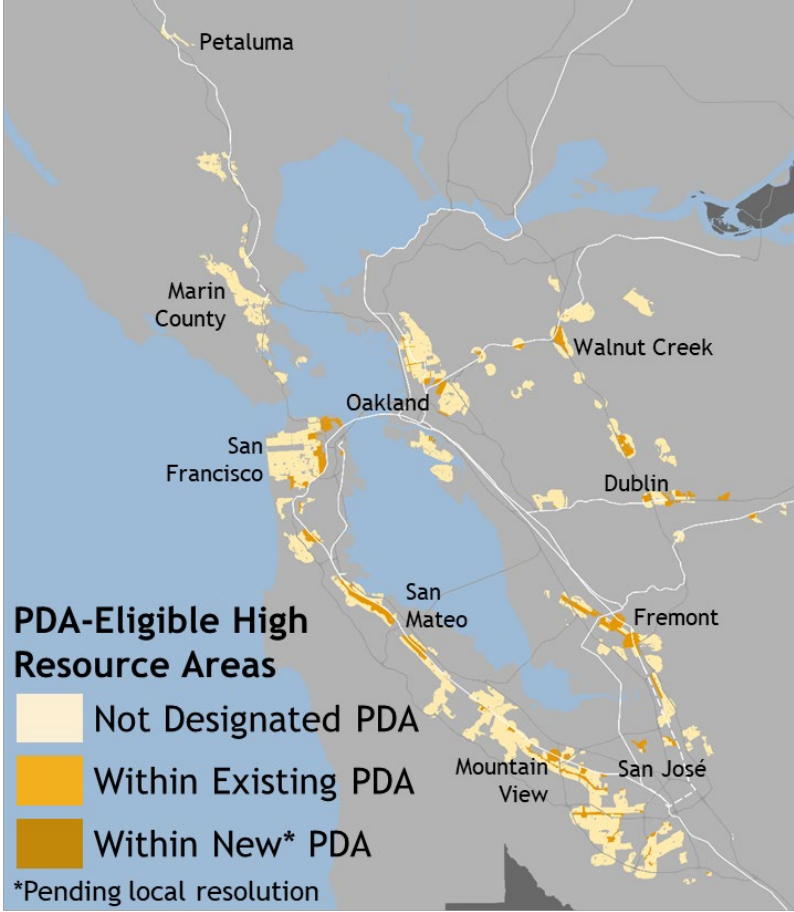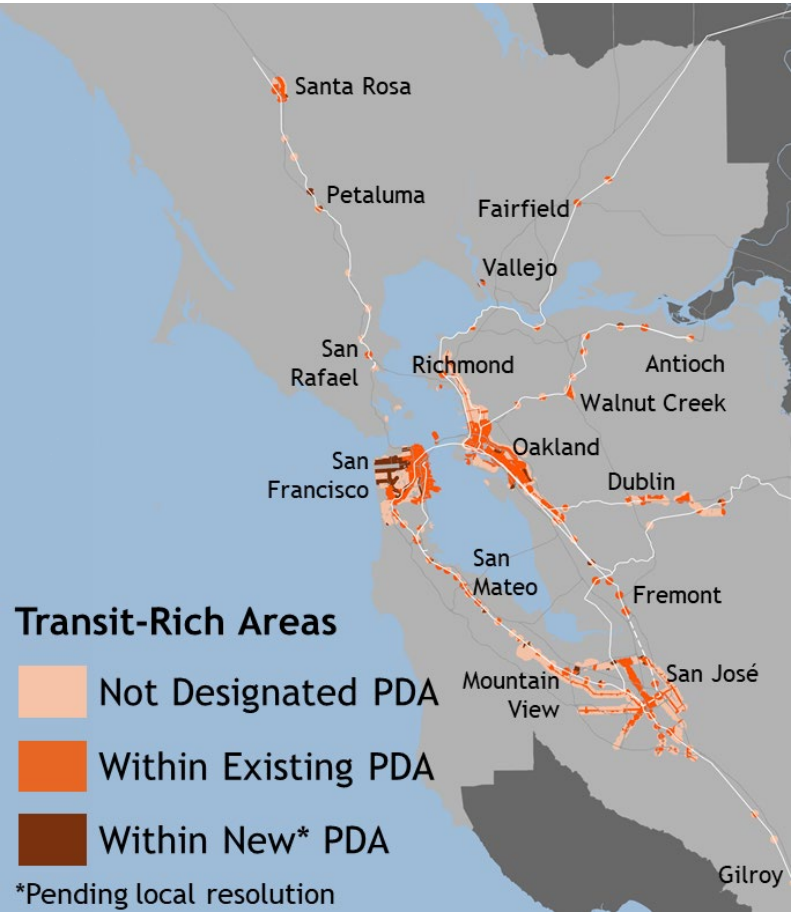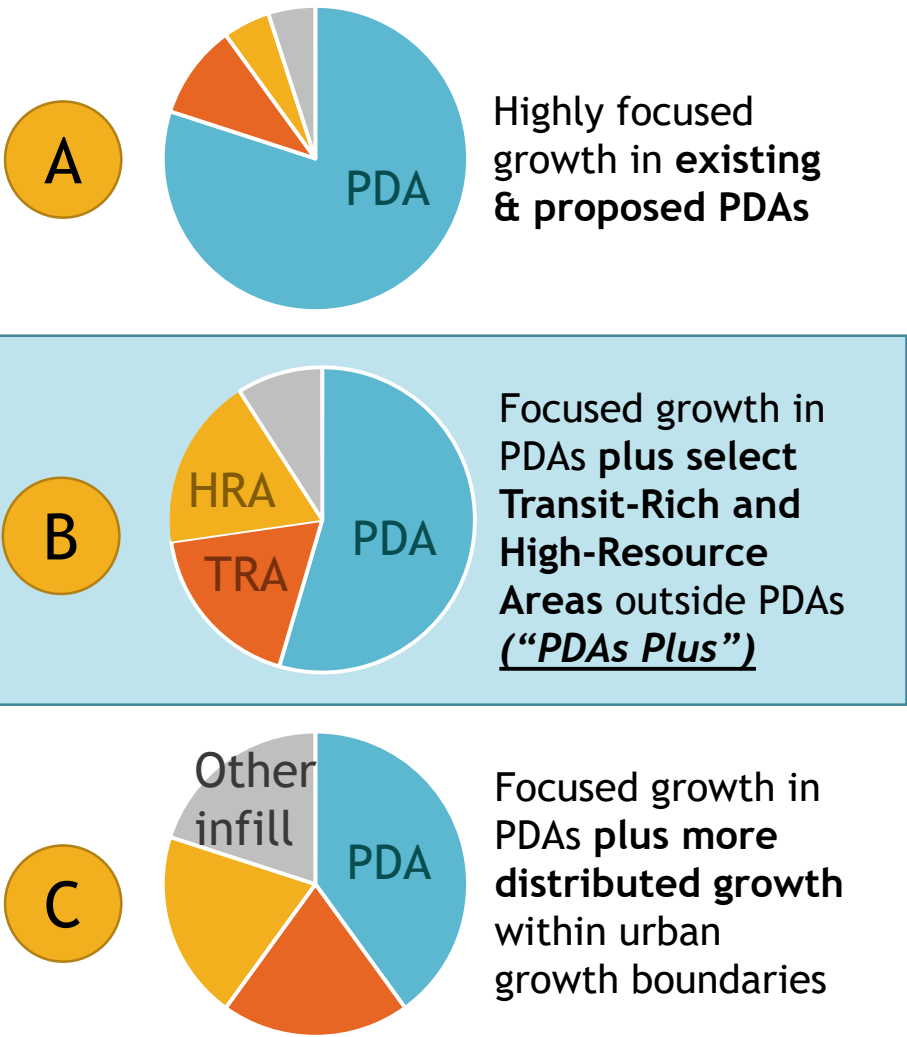
Retain & Expand Affordable Housing

Fund Affordable Housing Preservation and Production. Raise $1.5 billion in new annual revenues to preserve existing affordable units and construct new affordable housing units at a more aggressive pace.

Require 10 to 20 Percent of New Housing to Be Affordable. Expand inclusionary zoning across the Bay Area with a variable rate, ranging between 10 percent in weaker-market communities and 20 percent in stronger-market communities.

PLAN BAY AREA 2050

Integrating New Geographies into PBA 2050 Blueprint:
An Opportunity to Strengthen Consistency with RHNA

A — Highly focused growth in **existing & proposed PDAs**

B — Focused growth in PDAs **plus select Transit-Rich and High-Resource Areas** outside PDAs (_"PDAs Plus"_)

C — Focused growth in PDAs **plus more distributed growth** within urban growth boundaries

Transit-Rich Areas
- Not Designated PDA
- Within Existing PDA
- Within New* PDA

*Pending local resolution

PDA-Eligible High Resource Areas
- Not Designated PDA
- Within Existing PDA
- Within New* PDA

*Pending local resolution

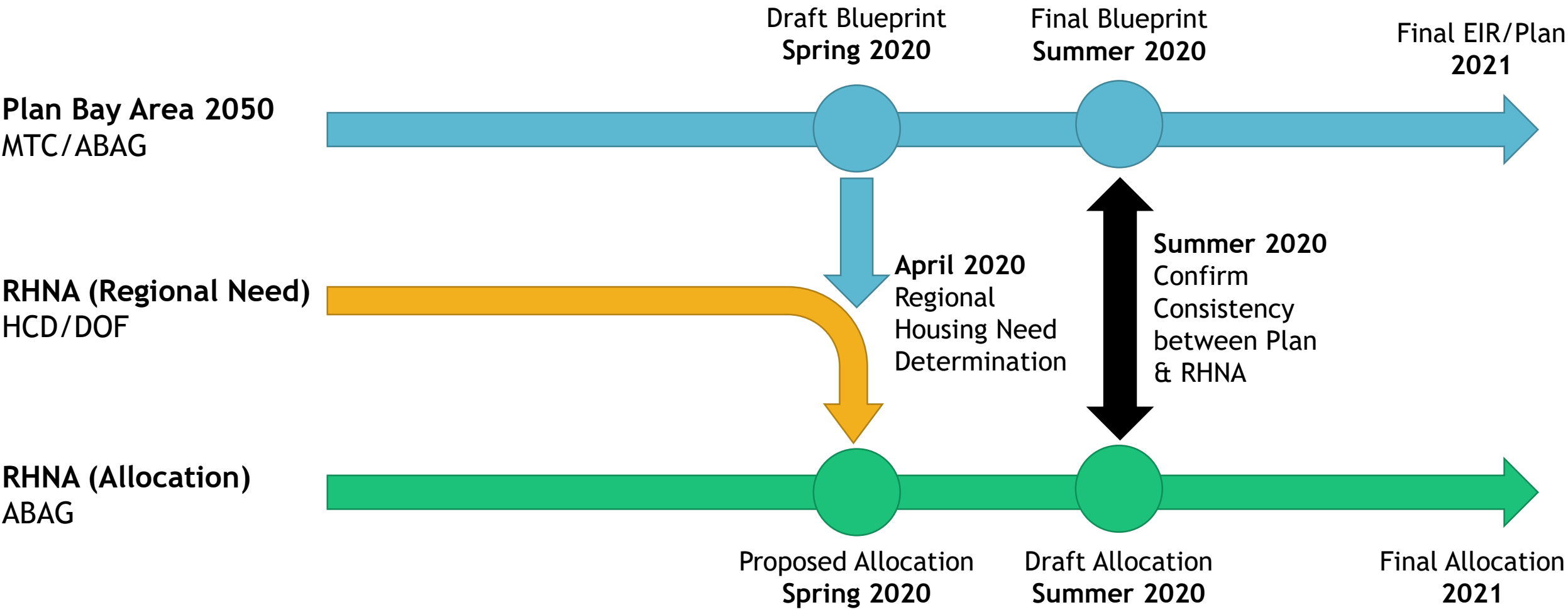**Sources:** California HCD, 2019; MTC/ABAG, 2019

No TRAs or PDA-Eligible HRAs exist beyond the cropped areas of either map.

PLAN BAY AREA 2050

3 **RHNA:** Allocation *(coming this spring)*
Plan Bay Area 2050: Blueprint *(coming this spring)*

Draft Blueprint
Spring 2020

Final Blueprint
Summer 2020

Final EIR/Plan
2021

Plan Bay Area 2050
MTC/ABAG

RHNA (Regional Need)
HCD/DOF

April 2020
Regional Housing Need Determination

Summer 2020
Confirm Consistency between Plan & RHNA

RHNA (Allocation)
ABAG

Proposed Allocation
Spring 2020

Draft Allocation
Summer 2020

Final Allocation
2021

Opportunities for Closer Alignment

- **Using growth forecasts from the Plan Bay Area 2050 Draft Blueprint and/or Final Blueprint as a factor for RHNA can be an effective way to ensure consistency between the Plan and RHNA.** ABAG has used the Plan as a significant component of the RHNA allocations in the past, although it should be noted that this is not required under state law.

- In general, **staff recommend that the RHNA methodology integrate the Plan Bay Area 2050 Blueprint to some extent**, in part to maximize consistency between the two efforts and in part to address a suite of important RHNA objectives and factors.

PLAN BAY AREA 2050

Addressing RHNA Housing Methodology Committee (HMC) Feedback and Reflecting on Concerns

- Many HMC members felt it was premature to commit to integrating the Plan and RHNA, **as we have not received final direction from the boards on strategies to be integrated into Plan Bay Area 2050 Blueprint.**

- **Action by MTC and ABAG later this winter could help provide clarity to the HMC** on the specific strategies being integrated, particularly with regards to growth geographies and associated housing policies.

Connections between RHNA and Plan Bay Area 2050
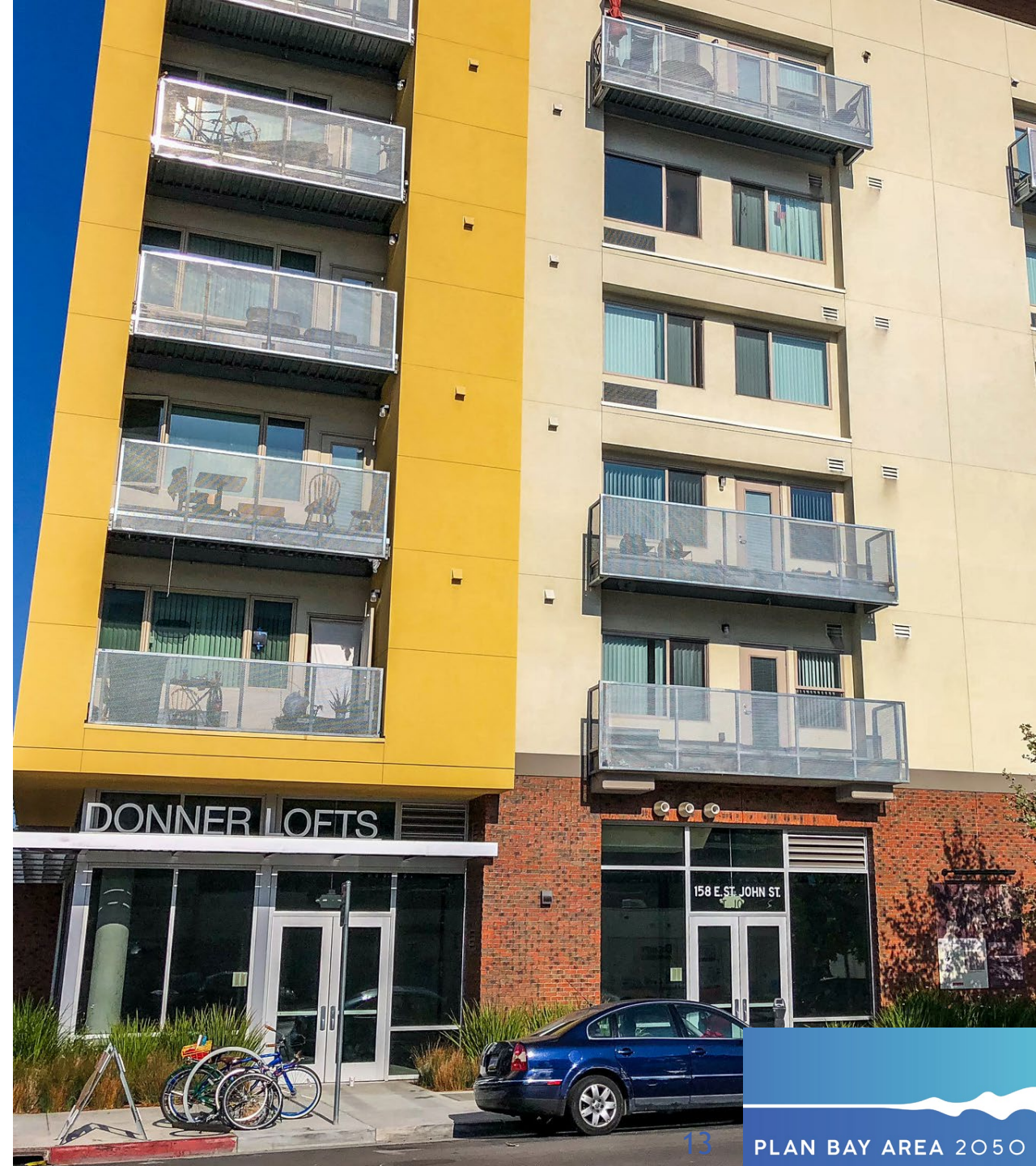
PLAN BAY AREA 2050

Next Steps

- **Plan Bay Area 2050**
  - **January:** Commission & Board Workshop Discussion on Housing Geographies & Strategies
  - **February:** Action Item on Draft Blueprint Strategies
  - **May:** Release of Draft Blueprint & Public Workshops
- **RHNA**
  - **Winter:** HMC Discussion on RHNA Methodology
  - **Spring:** Presentation of Proposed Methodology to Board

HMC MEETING #3 - INTRO TO FACTORS VIA HMC'S HOUSING GOALS

Notes from Staff Presentation

SLIDE 6

- At the first meeting, you spent time in small groups discussing desired goals and outcomes for the RHNA process. The full list of comments for each table is in your packet.
- Staff was able to organize the comments into seven key themes:
- Some of the themes focus on the RHNA process itself, such as ensuring transparency and ease of understanding.
- Others focused more on preferred outcomes for the region, such as furthering social and racial equity.
- The next step for the HMC is to start translating these themes into specific factors to consider for including in the allocation methodology.
- The primary task for this group over the next several months will be to prioritize factors to include in the methodology and to develop options for the best way to combine them.

SLIDE 7

- Fundamentally about pattern of growth
- The factors in the methodology are based on the relative relationships between jurisdictions.
- If we choose a factor related to jobs, a jurisdiction with more jobs would get more units, and a jurisdiction with fewer jobs would get fewer units
- We get a total need number from the state, and we must allocate all of it.
    - If an allocation to one jurisdiction goes down, the allocation to other jurisdictions must go up
- We can include specific geographies within a jurisdiction as factors in the methodology, such as locations near transit or near jobs but RHNA cannot require the jurisdiction to zone for housing there

SLIDE 8

So, how does a RHNA methodology work?

- The methodology is a formula to divvy up the total housing need from HCD among all jurisdictions in the region
- The methodology must also include a mechanism for determining the number of units a jurisdiction will receive in each of the four income categories
- The allocation formula can use the region's long-range land use and transportation plan (known as the SCS/RTP) as an input into the RHNA methodology
    - This would be Plan Bay Area 2050 for us
    - As you heard earlier, the Plan includes many policies and strategies aligned with the RHNA factors and that could help us to meet the RHNA objectives
- In addition to potentially using the Plan, the methodology usually includes additional factors that translate a principle or attribute into numbers

SLIDE 9

- No notes

SLIDE 10
- No notes

SLIDE 11
- Total units:
  - Based on existing conditions
  - Emphasis on access to transit and jobs
  - Transit: total number of stops
  - Jobs: total number of jobs
- Income
  - Comparison of jurisdiction's share of households in each income category to region's share of households in each income category
  - Shift each jurisdiction closer to regional distribution

SLIDE 12
- No notes

SLIDE 13
- No notes

SLIDE 14
- No notes

SLIDE 15
- No notes

File #:	20-0179	**Version:** 1	**Name:**	
Type:	Minutes		**Status:**	Consent
File created:	1/14/2020		**In control:**	ABAG Housing Methodology Committee
On agenda:	1/24/2020		**Final action:**	
Title:	Approval of ABAG Housing Methodology Committee Minutes of December 19, 2019			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	Item 4 Minutes 20191219 Draft.pdf			

Date	Ver.	Action By	Action	Result

Approval of ABAG Housing Methodology Committee Minutes of December 19, 2019

Clerk of the Board

Approval

Meeting Minutes - Draft

ABAG Housing Methodology Committee

Chair, Jesse Arreguin, Mayor, City of Berkeley

Thursday, December 19, 2019	10:00 AM	**Alameda County Transportation Commission**
		1111 Broadway, Room 800
		Oakland, California 94607

Association of Bay Area Governments
Housing Methodology Committee

The ABAG Housing Methodology Committee may act on any item on the agenda.
The meeting is scheduled to begin at 10:00 a.m.
Agenda and roster available at https://abag.ca.gov
For information, contact Clerk of the Board at (415) 820-7913.

Roster

Josh Abrams, Susan Adams, Anita Addison, Jesse Arreguin, Rupinder Bolaria, Rick Bonilla, Michael Brilliot, Monica Brown, Amanda Brown-Stevens, Paul Campos, Ellen Clark, Diane Dillon, Forrest Ebbs, Pat Eklund, Jonathan Fearn, Victoria Fierce, Neysa Fligor, Mindy Gentry, Russell Hancock, Paolo Ikezoe, Welton Jordan, Megan Kirkeby, Brandon Kline, Jeffry Levin, Fernando Marti, Rodney Nickens, Jr., Julie Pierce, Bob Planthold, Darin Ranelletti, Matt Regan, Jane Riley, Carlos Romero, Elise Semonian, Aarti Shrivastava, Vin Smith, Matt Walsh

1. Call to Order / Roll Call / Confirm Quorum

Chair Arreguin called the meeting to order at about 10:03 a.m. Quorum was present.

Present: 32 - Abrams, Addison, Arreguin, Bolaria-Shifrin, Bonilla, Brilliot, Brown, Brown-Stevens, Campos, Clark, Crabtree, Dillon, Ebbs, Eklund, Fearn, Fierce, Fligor, Gentry, Housh, Jordan, Kline, Littlehale, Levin, Marti, Nickens, Pierce, Planthold, Ranelletti, Romero, Semonian, Smith, and Walsh

Absent: 5 - Adams, Hancock, Ikezoe, Kirkeby, and Regan

2. Public Comment

There was no public comment.

3. Chair's Report

Chair Arreguin gave the Chair's Report.

3.a. [20-0063] ABAG Housing Methodology Committee Chair's Report

4. Consent Calendar

Upon the motion by Romero and second by Bonilla, the Consent Calendar, including the minutes of November 14, 2019, was approved. The motion passed unanimously by the following vote:

Aye: 32 -   Abrams, Addison, Arreguin, Bolaria-Shifrin, Bonilla, Brilliot, Brown, Brown-Stevens, Campos, Clark, Crabtree, Dillon, Ebbs, Eklund, Fearn, Fierce, Fligor, Gentry, Housh, Jordan, Kline, Littlehale, Levin, Marti, Nickens, Pierce, Planthold, Ranelletti, Romero, Semonian, Smith, and Walsh

Absent: 5 -   Adams, Hancock, Ikezoe, Kirkeby, and Regan

4.a.   20-0064   Approval of ABAG Housing Methodology Committee Minutes of November 14, 2019

5. Relationship Between Plan Bay Area 2050 and Regional Housing Needs Allocation

5.a.   20-0065   Relationship Between Plan Bay Area 2050 and Regional Housing Needs Allocation

Staff will provide a high-level overview of the Plan Bay Area 2050 Blueprint through summer 2020, describe how we have traditionally determined consistency between the Plan and RHNA, and discuss options for the Housing Methodology Committee to consider as it works to identify if and how the Blueprint plays a role in the RHNA formula.

Dave Vautin gave the staff report.

The following gave public comment: Tim Frank; Pat Eklund; Diane Dillon.

6. Introduction to Factors via Housing Methodology Committee's Housing Goals

6.a.   20-0066   Introduction to Factors via Housing Methodology Committee's Housing Goals

Staff will report on the key themes envisioned by the HMC in its discussion of desired goals and outcomes for the RHNA process and continue the conversation about relating these goals to methodology factors.

Gillian Adams gave the staff report.

The following gave public comment: Tim Frank; Aaron Eckhous; David Early; Justine Marcus; Shajuti Hussain.

Lunch / Break

7. Overview of Regional Housing Need Determination (RHND) from Housing and Community Development

7.a.   20-0067   Overview of Regional Housing Need Determination (RHND) from Housing
                                and Community Development

                                Staff will describe the process used to calculate the RHND, changes to this
                                process for the upcoming RHNA cycle (6th cycle) resulting from recent
                                legislation, and the potential impacts of these changes on the Bay Area's
                                RHND for the 6th RHNA cycle.

                                Gillian Adams gave the staff report.

                                The following gave public comment: Tim Frank; Aaron Eckhouse; Corey
                                Smith.

8. Feedback on Today's Meeting and What to Expect at the Next Meeting

8.a.   20-0068   Feedback on Today's Meeting and What to Expect at the Next Meeting

                                Gillian Adams gave the staff report.

9. Adjournment / Next Meeting

                                Chair Arreguin adjourned the meeting at about 1:26 p.m.

                                The next regular meeting of the ABAG Housing Methodology Committee is
                                on January 24, 2020.

File #:	20-0180	**Version:** 1	**Name:**	
Type:	Report		**Status:**	Informational
File created:	1/14/2020		**In control:**	ABAG Housing Methodology Committee
On agenda:	1/24/2020		**Final action:**	
Title:	Continuation of the Discussion of Potential Factors to Include in the RHNA Methodology Staff will provide information about potential factors for inclusion in the RHNA methodology based on the feedback provided at the December meeting.			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	Item 5 1 Summary Sheet - Methodology Factors v1.pdf Item 5 2 Attachment A - Potential Factors Toolkit v3.pdf			

Date	Ver.	Action By	Action	Result

Continuation of the Discussion of Potential Factors to Include in the RHNA Methodology

Staff will provide information about potential factors for inclusion in the RHNA methodology based on the feedback provided at the December meeting.

Gillian Adams

Information

Association of Bay Area Governments

Housing Methodology Committee

January 24, 2020   Agenda Item 5.a.

Methodology Factors

Subject:	Continuation of the Discussion of Potential Factors to Include in the RHNA Allocation Methodology
Background:	At their December 19, 2019 meeting, members of the Housing Methodology Committee (HMC) worked in small groups to brainstorm potential factors to include in the RHNA allocation methodology. Facilitators assisted the groups in identifying factors related to three primary topics: jobs and jobs-housing fit, fair housing and equity, and transit. Committee members also had the opportunity to identify factors outside of these topic areas. At the end of the meeting, HMC members provided feedback about the potential factors they wanted to prioritize for additional exploration.
	In **Attachment A,** staff has developed a set of potential factors that respond to the priorities identified by the HMC. For now, staff is focusing on factors that would be used to identify a jurisdiction's total number of housing units, although some of the factors presented could also be used as part of the income allocation methodology.
	There are several potential factors identified below that propose to use data from the Plan Bay Area 2050 Blueprint. Since the Blueprint is still under development, staff has used information from the Clean and Green future scenario developed as part of the Horizon Initiative.
	At the January meeting, HMC members will have the opportunity to discuss the ideas presented by staff, consider refinements to them, and again provide feedback about priorities for factors to include in the methodology. The HMC will have an opportunity to consider factors for the income allocation at future meetings.
Issues:	None
Recommended Action:	Information
Attachment:	A. Potential Factors Toolkit
Reviewed:	Therese W. McMillan

REGIONAL HOUSING NEEDS ALLOCATION

Association of Bay Area Governments

TO: Housing Methodology Committee   DATE: January 24, 2020
FR: Deputy Executive Director, Policy
RE: Potential Factors for the RHNA Methodology

Overview
The Housing Methodology Committee's (HMC) objective is to recommend an allocation methodology for dividing up the Bay Area's Regional Housing Need Determination 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. The HMC will need to select key factors to serve as the main components of the methodology. These methodology components function as levers that "drive" the allocation from the regional total to the jurisdiction share. While the RHNA process focuses on housing need, staff recognizes that *identifying* need is as much art as science. Ultimately, the allocation assigned to jurisdictions will be based on the factors that HMC members and ABAG's Executive Board consider most important.

Potential Methodology Factors
Staff has developed a set of potential factors for inclusion in the RHNA allocation methodology that respond to the priorities identified by HMC members in December 2019. The factors are grouped into five categories: Plan Bay Area 2050 forecasts, fair housing and equity, jobs and jobs-housing fit, transit, and other topics of importance.

The RHNA methodology must achieve two outcomes: determining the total number of housing units for each jurisdiction and determining the distribution of those units into the four income categories. For now, staff is focusing on factors that would be used to identify a jurisdiction's total number of housing units, although some of the factors presented could also be used as part of the income allocation methodology.

At the December meeting, some HMC members expressed a desire for a methodology factor related to racial segregation. However, racial segregation occurs in many forms and can be difficult to quantify, especially in racially diverse regions like the Bay Area. An index for racial segregation could label two very different areas as equally racially segregated: for example, one area could be racially segregated and affluent while another could be segregated with a high concentration of poverty; in this hypothetical example, both could be viewed as equally racially segregated depending upon how segregation is measured.

Thus, staff decided it would be difficult to propose a factor for racial segregation without first clarifying the types of segregation the HMC is seeking to address through the RHNA process and how the RHNA methodology would incorporate segregation (i.e., how is a jurisdiction deemed to be "segregated" and how does that designation impact the number of units the jurisdiction is assigned?). Though none of the factors listed below explicitly incorporates racial

demographics, analysis by staff indicates that a factor based on High Resource Areas (as defined by the State's Opportunity Mapping) does have the potential to provide more housing opportunities for low-income households and people of color in jurisdictions to which these communities have historically lacked access.

Role of Plan Bay Area 2050 in the Allocation Methodology
As discussed during the December 2019 meeting, the HMC will need to decide the extent to which Plan Bay Area 2050 is integrated in the RHNA methodology. As noted at the meeting, SACOG (Sacramento) used the growth forecast from its long-range plan as the only factor to determine a jurisdiction's total RHNA while SANDAG (San Diego) does not use its long-range plan at all.

There are three primary options for how the HMC could use the Plan Bay Area 2050 Blueprint in the RHNA methodology:

- Option 1: use forecasted development pattern from the Blueprint to direct RHNA allocations, similar to SACOG's approach
- Option 2: use a hybrid approach that uses the forecasted development pattern from the Blueprint along with additional factors to represent policy goals that are underrepresented in the Blueprint to direct RHNA allocations
- Option 3: do not use forecasted data from the Blueprint, but include factors that align with the policies and strategies in the Blueprint to direct RHNA allocations, similar to SANDAG's approach

Although the Blueprint has not been developed yet, it is likely that there will be significant alignment between Plan Bay Area 2050 and RHNA. As a result, members of the HMC may wish to remove or modify the methodology factors they have identified for RHNA if they ultimately decide to incorporate information from the Blueprint once it is complete. For example, the Plan's forecasts incorporate the region's transportation infrastructure, so additional factors related to transit are unlikely to be needed in the methodology if the methodology incorporates the Plan.

There are several potential factors identified below that propose to use data from the Plan Bay Area 2050 Blueprint. Since the Blueprint has not yet been developed, staff used information from the Clean and Green Future developed as part of the [Horizon Initiative](#) as a placeholder until the Blueprint forecast is released. The Clean and Green Future is one where:

Recognizing the growing impacts of climate change, the federal government significantly tightens environmental regulations and implements an ambitious, nationwide carbon tax. New technologies thrive, with virtual reality enabling telecommuting and smaller-scale workplaces distributed across town centers. While high-tech manufacturing thrives in the United States, economic growth slows for other more energy-intensive sectors.

Clean and Green was selected as the placeholder because it best represents the moderate-growth Future explored in the Horizon process. The data used for the maps of the potential Plan-related factors is from the *Horizon Futures Round 2* because the growth framework for this second round of analysis incorporates additional growth in High Resource Areas and Transit-Rich Areas. ABAG

and MTC will need direction from the ABAG Executive Board and MTC Commission about whether to continue to incorporate these areas into the growth framework for the Blueprint. Staff expects to receive additional direction from policymakers on this topic in February 2020.

Continuation of Discussion of Potential Factors

The potential methodology factors identified by staff based on the priorities identified by the HMC in December are summarized in the tables below. The factors that use Plan Bay Area 2050 rely on forecasted data, while the factors in other categories use data about existing conditions. The goal of the January meeting is for the HMC to continue to refine its top priorities for the factors to include in the methodology, and HMC members can propose refinements and additions to the ideas presented here. HMC members will have the chance to discuss the factors identified below based on maps that show the regional patterns for each topic.

The HMC will have an opportunity to consider factors for the income allocation at future meetings. Additionally, the HMC will need to decide on the "weighting" of each factor in the allocation formula, which represents how much a factor is emphasized and influences how a factor affects the methodology's outcome.**Plan Bay Area 2050[1]**

ID	Factor	Definition	Impact	Data Source
P1	Local growth	Jurisdiction's share of the region's household growth based on Plan Bay Area 2050 forecasts.	More housing units allocated to jurisdictions with a higher share of the region's forecasted growth.	MTC
P2	Future jobs	Jurisdiction's share of the region's projected jobs based on Plan Bay Area 2050 forecasts.	More housing allocated to jurisdictions with a higher share of projected jobs.	MTC
P3	Transit accessibility (projected)	Jurisdiction's projected percentage of the region's households within TPAs based on Plan Bay Area 2050 forecasts.	More housing allocated to jurisdictions projected to have more residents living near frequent transit.	MTC

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[1] Although ABAG would likely use data for year 2030 if the HMC decides to use Plan Bay Area 2050, the maps for these factors used data for year 2050 from the Clean and Green future due to greater reliability of the data that is currently available.

Fair Housing and Equity

ID	Factor	Definition	Impact	Data Source
E1	Access to high resource areas	The percentage of a jurisdiction's households living in census tracts labelled High Resource or Highest Resource based on opportunity index scores.[2]	More housing units allocated to jurisdictions with the most access to opportunity.	HCD/TCAC 2019 Opportunity Maps
E2	Existing need (cost burden)	The percentage of a jurisdiction's households that are cost-burdened, meaning that a household pays more than 30% of its income to housing costs.	More housing allocated to jurisdictions with high existing housing need, as indicated by high rates of housing cost burden.	Census Bureau (ACS for 2014-2018)
E3	Existing need (overcrowding)	The percentage of a jurisdiction's households living in overcrowded housing, meaning a household with more than one resident per room in a dwelling.	More housing allocated to jurisdictions with high existing housing need, as indicated by high rates of overcrowding.	Census Bureau (ACS for 2014-2018)

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[2] The Opportunity Area Maps include indicators related to poverty, adult education, employment, job proximity, median home value, pollution, math proficiency (4th grade), reading proficiency (4th grade), high school graduation rate, student poverty rate and a filter related to poverty and racial segregation. For more information about the methodology used to create the maps, see https://www.treasurer.ca.gov/ctcac/opportunity/final-opportunity-mapping-methodology.pdf (pages 7-8).

Jobs and Jobs-Housing Fit

ID	Factor	Definition	Impact	Data Source
J1	Existing jobs	Jurisdiction's current share of region's total jobs.	More housing allocated to jurisdictions with more jobs.	Census LEHD for 2017
J2	Job accessibility	Share of region's total jobs that can be accessed from a jurisdiction by a 30-minute commute.	More housing allocated to jurisdictions with easy access to the region's job centers.	MTC, Census LEHD for 2017
J3	Jobs-housing balance	Ratio of jobs within a jurisdiction to the number of housing units in the jurisdiction.	More housing allocated to jurisdictions with a high number of jobs relative to the amount of housing.	MTC, Census ACS for 2014-2018, Census LEHD for 2017
J4	Jobs-housing fit	Ratio of low-wage jobs (less than $3,333/month) within a jurisdiction to the number of low-cost rental units (less than $1,500/month) in the jurisdiction.	More housing allocated to jurisdictions with a high number of low-wage jobs relative to the number of low-cost rental units.	MTC, Census ACS for 2014-2018, Census LEHD for 2017

Transportation

ID	Factor	Definition	Impact	Data Source
T1	Transit connectivity	Jurisdiction's percentage of the region's total acres within Transit Priority Areas (TPAs)[3].	More housing allocated to jurisdictions with existing transit infrastructure.	MTC
T2	Transit accessibility (current)	Jurisdiction's existing percentage of the region's households within TPAs.	More housing allocated to jurisdictions with the most residents currently living near transit.	MTC, Census (ACS for 2014-2018)

Other Topics of Importance

ID	Factor	Definition	Impact	Data Source
O1	Natural hazards	Percentage of acres within a jurisdiction's urbanized area in locations with low risk from natural hazards according to the MTC/ABAG Multi-Hazard Index.[4]	More housing is allocated to areas with low natural hazard risk.	MTC
O2	Permits issued for lower-income units	The jurisdiction's share of permits issued for very low- and low-income units relative to total permits issued during the 2007-2014 RHNA cycle.	More housing allocated to jurisdictions that permitted fewer lower-income units during the 2007-2014 RHNA cycle.	ABAG

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[3] Defined in the California Public Resources Code, Section 21099 as areas within 1/2 mile of a Major Transit stop, which could be any of the following:
- Existing rail stations
- Planned rail stations in an adopted RTP
- Existing ferry terminals with bus or rail service
- Planned ferry terminals with bus or rail service in an adopted RTP
- Intersection of at least two existing or planned bus routes with headways of 15 minutes or better during both the morning and evening peak periods

[4] The MTC/ABAG Multi-Hazard Index includes data related to wildfire, landslide, earthquake (liquefaction), and/or current or future flood risk. Areas with severe exposure to one or more hazard score lowest. For more information, see https://mtc.ca.gov/sites/default/files/Horz_Perspective3_022719.pdf (page 21).

Legislation Details (With Text)

File #:	20-0181	**Version:** 1	**Name:**	
Type:	Report		**Status:**	Informational
File created:	1/14/2020		**In control:**	ABAG Housing Methodology Committee
On agenda:	1/24/2020		**Final action:**	

Title: Report on Draft Proposal of Criteria for Evaluating Allocation Methodology Options

Staff will provide an overview of draft criteria for evaluating allocation methodology options as they are developed. The proposed criteria are based on the review of other regions' draft methodologies by the California Department of Housing and Community Development (HCD).

Sponsors:

Indexes:

Code sections:

Attachments: [Item 6 1 Summary Sheet - Evaluation Criteria v2.pdf](#)
[Item 6 2 Attachment A - Summary of HCD Review v2.pdf](#)
[Item 6 3 Attachment B - HCD Letters v2.pdf](#)

Date	Ver.	Action By	Action	Result

Report on Draft Proposal of Criteria for Evaluating Allocation Methodology Options

Staff will provide an overview of draft criteria for evaluating allocation methodology options as they are developed. The proposed criteria are based on the review of other regions' draft methodologies by the California Department of Housing and Community Development (HCD).

Megan Kirkeby, Assistant Deputy Director for Fair Housing, California Department of Housing and Community Development

Information

January 24, 2020	**Agenda Item 6.a.**

RHNA Methodology

Subject: **Report on** Draft Proposal of Criteria for Evaluating Allocation Methodology Options

Background: The RHNA allocation methodology must meet five objectives identified in Housing Element Law. Developing the methodology is a complex process, and staff proposes to identify a set of criteria that can be used to evaluate different methodology options as they are developed by the Housing Methodology Committee. The purpose for developing these criteria is to provide feedback during the methodology development process to ensure that any proposed methodology will meet the statutory RHNA objectives.

Staff's initial proposal for evaluation criteria is based on the analytical framework used by the Department of Housing and Community Development (HCD) in evaluating the draft methodologies completed by other regions in California, as evidenced by the approval letters HCD provided to the Sacramento Area Council of Governments (SACOG), San Diego Association of Governments (SANDAG), and Southern California Association of Governments (SCAG) (**Attachment A**).

The criteria are organized around the five RHNA objectives:

- *Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.*
  - Does the allocation direct more lower-income RHNA to jurisdictions with more single-family homes or to jurisdictions with higher housing costs?

- *Objective 2: Promoting 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.*
  - Does the methodology focus on where housing is needed to encourage transit ridership and reduce commutes?
  - Does the allocation incorporate long-range planning focused on infill development and job centers?

RHNA Methodology

- *Objective 3: Promoting 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.*
  - Does the allocation direct more lower income RHNA to jurisdictions with a higher overall number of low-wage jobs?
  - Does the allocation direct more lower income RHNA to jurisdictions with a higher number of low-wage jobs compared to units affordable to low-wage workers?

- *Objective 4: Allocating 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.*
  - Does the allocation direct a larger share of RHNA units in an income category to jurisdictions with a smaller share of existing households in that income category?

- *Objective 5: Affirmatively furthering fair housing.*
  - Does the allocation direct more lower income RHNA to jurisdictions with no areas of high segregation/poverty or low resource areas and the most areas in high or highest resource census tracts, as defined in the HCD/TCAC Opportunity Maps?
  - Do jurisdictions with large low resource areas or areas of high segregation/poverty receive less lower income RHNA than the regional average?

Issues: None

Recommended Action: Information

Attachment: A. Summary of HCD Review of Draft Methodologies

                         B. Letters from HCD to SACOG and SANDAG

Reviewed:

Therese W. McMillan

REGIONAL HOUSING NEEDS ALLOCATION

Association of Bay Area Governments

Summary of HCD review of Sacramento Area Council of Governments (SACOG) and San Diego Association of Governments (SANDAG) Draft Methodologies

HCD letter to SACOG, November 1, 2019:
- Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.
    - o The methodology generally **allocates more lower income RHNA to jurisdictions that have higher housing costs**: six of the seven cities with the highest housing costs in the region also receive the seven largest shares of lower income RHNA.
    - o There is fairly close alignment between the ranking of housing costs and share of lower income RHNA across all jurisdictions. This outcome helps to facilitate a mix of affordability, housing types, and tenure throughout the region.

- Objective 2: Promoting 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.
    - o Draft allocation furthers the infill and environmental principles of this objective, as the overall **allocation is based on SACOG's infill and job focused MTP**.
    - o **Jobs-housing adjustment factor further directs lower income RHNA toward low-wage job centers**, encouraging "jobs-housing fit," efficient development patterns, greater housing access for low-wage workers, and greenhouse gas reduction.

- Objective 3: Promoting 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.
    - o The **jobs-housing fit adjustment factor directs more lower income RHNA to places with a higher overall number of low-wage jobs**, and a higher number of low-wage jobs compared to units affordable to low-wage workers.
    - o **Strong overlap between the ranking of a jurisdiction's total low wage jobs and the ranking of a jurisdiction's total lower income RHNA**: seven of the eight jurisdictions with the highest number of low-wage jobs also receive the eight highest shares of lower income RHNA for the region.
    - o Generally strong **alignment between the rank of the jobs-housing ratio for a jurisdiction (more low-wage jobs to less affordable housing) and the share of lower income RHNA that a jurisdiction receives**.

- Objective 4: Allocating 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.
    - Furthered directly by the regional income parity adjustment factor included in the draft methodology, which provides an **upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in each income category compared to the region**.

- Objective 5: Affirmatively furthering fair housing.
    - HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology, **which directs more lower income RHNA to areas having more housing units in higher opportunity areas, as defined in the HCD/TCAC Opportunity Maps**.
    - The **top seven jurisdictions with the most homes in High Opportunity areas receive the top seven largest shares of lower income RHNA** thus encouraging more affordable homes in higher resourced areas and increasing housing access to these communities for lower income households.

HCD letter to SANDAG, November 18, 2019:

- Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.
    - Allocates **more lower income RHNA in jurisdictions with more single-family homes**, which will encourage higher density planning in these jurisdictions and a mix of housing types.
    - In support of the affordability objective, the draft **methodology allocates more lower income RHNA in more costly areas of the region**.

- Objective 2: Promoting 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.
    - Furthers the infill and environmental principles of this objective, as the **overall allocation is based on the location of jobs and transit access**.
    - Methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead **focuses on where housing is needed to encourage transit ridership and reduced commutes**.

- Objective 3: Promoting 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.
    - Using overall jobs combined with the equity adjustment in the methodology leads to a **strong overlap between low-wage jobs and lower income RHNA as a percentage of the region's lower income RHNA**.

- Objective 4: Allocating 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.
  - The SANDAG equity adjustment provides an **upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in a given income category compared to the region**.

- Objective 5: Affirmatively furthering fair housing.
  - To evaluate this objective HCD used the 2019 HCD/TCAC Opportunity Maps.
  - Jurisdictions with **no segregated concentrated areas of poverty or lowest resource census tracts and the most area in high or highest resource census tracts receive more lower income RHNA.**
  - The jurisdictions with **large areas in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty generally receive less lower income RHNA** than the regional average.

HCD letter to SCAG, January 13, 2020:
- Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.
  - In support of a mix of affordability, **the highest housing cost cities generally receive higher shares of lower income RHNA**.

- Objective 2: Promoting 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.
  - Furthers the environmental principles of this objective as **demonstrated by the transportation and job alignment with the RHNA allocations**.

- Objective 3: Promoting 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.
  - As part of HCD's analysis as to whether this jobs-housing fit objective was furthered by SCAG's draft methodology, **HCD analyzed how the percentage share of the region's lower income RHNA compared to the percentage share of low-wage jobs.**
  - Across all jurisdictions there is **generally good alignment between low-wage jobs and lower income RHNA**, with all but 15 jurisdictions within a half percent plus or minus difference between their share of lower income RHNA for the region and their percentage low-wage jobs for the region.

- Objective 4: Allocating 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.
    - This objective is **furthered directly by the social equity adjustment factor included in the draft SCAG RHNA methodology**.
    - The 20 jurisdictions with the greatest share of lower income households, 67.2-82.7 percent lower income households, would receive an average of 31.6 percent lower income share of their RHNA; compared to the 20 jurisdictions with the lowest share of lower income households, 10.9-25.1 percent lower income households, would receive an average of 59.1 percent lower income share of their RHNA.

- Objective 5: Affirmatively furthering fair housing.
    - To evaluate this objective HCD used the 2019 HCD/TCAC Opportunity Maps.
    - This factor directs more lower income RHNA to higher opportunity areas and reduces allocations in segregated concentrated areas of poverty.
    - 14 of the top 15 highest shares of lower income RHNA are in regions over 99.95 percent High and Highest Resource areas.

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November 18, 2019

James Corless, Chief Executive Officer
Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

Dear Director Corless:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft Sacramento Area Council of Governments (SACOG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodology to determine whether the methodology furthers the statutory objectives described Government Code Section 65584(d).

The draft SACOG methodology uses the Metropolitan Transportation Plan (MTP) to allocate the overall RHNA number for a city and uses three adjustments to rebalance the income distribution among the sub-categories of RHNA by income and address the statutory objectives the MTP does not alone address. HCD has completed its review of the methodology, including the outputs of the four weighting options, and finds that the draft SACOG RHNA Methodology furthers the five statutory objectives of RHNA.[1]

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.

The methodology generally allocates more lower income RHNA to jurisdictions that have higher housing costs. Regardless of which weighting option is used, six of the seven cities with the highest housing costs in the region also receive the seven largest shares of lower income RHNA. Additionally, there is fairly close alignment between the ranking of housing costs and share of lower income RHNA across all jurisdictions. This outcome helps to facilitate a mix of affordability, housing types, and tenure throughout the region. The Regional and Local Early Action Planning grants can be used to continue to pursue this and all the statutory objectives of RHNA by encouraging density and affordability in strategic areas.

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[1] While HCD finds that this methodology furthers the objectives of RHNA, HCD's determination may change in regards to a different region or cycle, as housing conditions in those circumstances may differ.

2. Promoting 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 provided by the State Air Resources Board pursuant to Section 65080.

The draft allocation furthers the infill and environmental principles of this objective, as the overall allocation is based on SACOG's infill and job focused MTP combined with adjustment factors, such as the jobs-housing adjustment factor, which further direct lower income RHNA toward low-wage job centers, encouraging "jobs-housing fit," efficient development patterns, greater housing access for low-wage workers, and greenhouse gas reduction.

3. Promoting 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.

HCD commends SACOG for including analysis of low-wage jobs and affordable units in the methodology. The jobs-housing fit adjustment factor directs more lower income RHNA to places with a higher overall number of low-wage jobs, and a higher number of low-wage jobs compared to units affordable to low-wage workers. There is strong overlap across all weighting options between the ranking of a jurisdiction's total low wage jobs and the ranking of a jurisdiction's total lower income RHNA. For example, regardless of which weighting option is used, seven of the eight jurisdictions with the highest number of low-wage jobs also receive the eight highest shares of lower income RHNA for the region. There is also generally strong alignment between the rank of the jobs-housing ratio for a jurisdiction (more low-wage jobs to less affordable housing) and the share of lower income RHNA that a jurisdiction receives. On this point, weighting option D has the most alignment, but all the weighting options have strong overlap.

4. Allocating 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, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

This objective is furthered directly by the regional income parity adjustment factor included in the draft methodology. The SACOG equity adjustment provides an upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in each income category compared to the region. While the equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology. This factor directs more lower income RHNA to areas having more housing units in higher opportunity areas, as defined in the HCD/TCAC Opportunity Maps,[2] which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. On this point, weighting option C has the most alignment, but all the weighting options have sufficient overlap to further this statutory objective. With weighting option C the top seven jurisdictions with the most homes in High Opportunity areas receives the top seven largest shares of lower income RHNA thus encouraging more affordable homes in higher resourced areas and increasing housing access to these communities for lower income households.

HCD appreciates the active role of SACOG staff in providing data and input throughout the draft methodology development and review period, as well as developing a methodology that is clear and transparent. HCD especially thanks Greg Chew, Dov Kadin, and Tina Glover for their significant efforts and assistance.

Public participation in the development and implementation of the RHNA process is essential to effective housing planning. HCD applauds SACOG on its efforts to date and the region should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

HCD looks forward to continuing our partnership with SACOG to assist its member jurisdictions to meet and exceed the planning and production of the region's housing need.

Support opportunities available for the SACOG region this cycle include, but are not limited to:
- SB 2 Planning Grants and Technical Assistance (Available now, application deadline November 30, 2019, technical assistance available now through June 2021)
- Regional and Local Early Action Planning grants (25% of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.

Megan Kirkeby
Assistant Deputy Director for Fair Housing

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[2] Created by the California Fair Housing Task Force and commissioned by HCD and the California Tax Credit Allocation Committee (TCAC) to assist public entities in affirmatively furthering fair housing. The version used in this analysis is the 2019 HCD/TCAC Opportunity Maps available at treasurer.ca.gov/ctcac/opportunity.asp.

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November 1, 2019

Hasan Ikharta, Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

Dear Director Ikharta:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft San Diego Association of Governments (SANDAG)
Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to
Government Code Section 65584.04(i), the California Department of Housing and
Community Development (HCD) is required to review draft RHNA methodology to
determine whether the methodology furthers the statutory objectives described
Government Code Section 65584(d).

The draft SANDAG methodology uses jobs and transit to set the overall RHNA number
for a city and uses an equity adjustment to adjust for income distribution among the sub-
categories of RHNA by income. HCD has completed its review and finds that the draft
SANDAG RHNA Methodology furthers the five statutory objectives of RHNA.[1]

Below is a brief summary of findings related to each statutory objective described within
Government Code Section 65584(d):

*1. Increasing the housing supply and the mix of housing types, tenure, and affordability in
all cities and counties within the region in an equitable manner, which shall result in each
jurisdiction receiving an allocation of units for low- and very low-income households.*

HCD's analysis shows that this methodology generally allocates more lower income
RHNA in jurisdictions with more single-family homes, which will encourage higher density
planning in these jurisdictions and a mix of housing types. Also, in support of the
affordability objective, the draft methodology allocates more lower income RHNA in more
costly areas of the region.

*2. Promoting 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 provided by the State Air
Resources Board pursuant to Section 65080.*

The draft allocation furthers the infill and environmental principles of this objective, as the
overall allocation is based on the location of jobs and transit access. Particularly relevant
to supporting infill development and climate change goals is the fact that this methodology

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[1] While HCD finds that this methodology furthers the objectives of RHNA, HCD's determination may change in
regards to a different region or cycle, as housing conditions in those circumstances may differ.

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does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.

3. Promoting 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.

Overall jobs, rather than low-wage jobs, are included as a factor in the methodology, but further analysis shows that using overall jobs combined with the equity adjustment in the methodology leads to a strong overlap between low-wage jobs and lower income RHNA as a percentage of the region's lower income RHNA.

4. Allocating 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, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

This objective is furthered directly by the equity adjustment included in the draft methodology. The SANDAG equity adjustment provides an upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in a given income category compared to the region. While the equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

To evaluate this objective HCD used the 2019 HCD/TCAC Opportunity Maps,[2] which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. The six jurisdictions that would receive the highest percentage of lower income RHNA under this methodology are also the jurisdictions that have no segregated concentrated areas of poverty or lowest resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions with large amounts of area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty generally receive less lower income RHNA than the regional average.

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[2] Created by the California Fair Housing Task Force and commissioned by HCD and the California Tax Credit Allocation Committee (TCAC) to assist public entities in affirmatively furthering fair housing. The version used in this analysis is the 2019 HCD/TCAC Opportunity Maps available at treasurer.ca.gov/ctcac/opportunity.asp.

HCD appreciates the active role of SANDAG staff in providing data and input throughout the draft methodology development and review period, as well as developing a methodology that is clear and transparent. HCD especially thanks Seth Litchney and Coleen Clementson for their significant efforts and assistance.

Public participation in the development and implementation of the RHNA process is essential to effective housing planning. HCD applauds SANDAG on its efforts to date and the region should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

HCD looks forward to continuing our partnership with SANDAG to assist its member jurisdictions meet and exceed the planning and production of the region's housing need.

Just a few of the support opportunities available for the SANDAG region this cycle include:
- SB 2 Planning Grants and Technical Assistance (Available now, application deadline November 30, 2019, technical assistance available now through June 2021)
- Regional and Local Early Action Planning Grants (25% of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.

Megan Kirkeby
Assistant Deputy Director for Fair Housing

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January 13, 2020

Kome Ajise
Executive Director
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Dear Executive Director Ajise:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft Southern California Association of Governments (SCAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodology to determine whether the methodology furthers the statutory objectives described in Government Code Section 65584(d).

In brief, the draft SCAG RHNA methodology begins with the total regional determination provided by the California Department of Housing and Community Development (HCD) and separates it into two methodologies to allocate the full determination: projected need (504,970) and existing need (836,857).

For projected need, the household growth projected in SCAG's Connect SoCal growth forecast for the years 2020-2030 is used as the basis for calculating projected housing need for the region. A future vacancy and replacement need are also calculated and added to the projected need.

The existing need is calculated by assigning 50 percent of regional existing need based on a jurisdiction's share of the region's population within the high-quality transit areas (HQTAs) based on future 2045 HQTAs. The other 50 percent of the regional existing need is based on a jurisdiction's share of the region's estimated jobs in 2045 that can be accessed within a 30-minute driving commute. For high segregation and poverty areas as defined by HCD/TCAC Opportunity Maps,[1] referred to by SCAG as extremely disadvantaged communities (DACs), existing need in excess of the 2020-2045 household growth forecast is reallocated to non-DAC jurisdictions within the same county.

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[1] Created by the California Fair Housing Task Force and commissioned by HCD and the California Tax Credit Allocation Committee (TCAC) to assist public entities in affirmatively furthering fair housing. The version used in this analysis is the 2019 HCD/TCAC Opportunity Maps available at treasurer.ca.gov/ctcac/opportunity.asp.

Within both the projected and existing need methodologies the four RHNA income categories (very low, low, moderate, and above moderate) are assigned to each jurisdiction by the use of a 150 percent social equity adjustment, which inversely adjusts based on the current incomes within the jurisdiction. An additional percentage of social equity adjustment is made for jurisdictions that have a high concentration of DACs or Highest Resource areas as defined by the HCD/TCAC Opportunity maps. Overall, the social equity adjustments result in greater shares of lower income RHNA to higher income and higher-resource areas.

HCD has completed its review of the methodology and finds that the draft SCAG RHNA Methodology furthers the five statutory objectives of RHNA.[2] HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology.

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.

The methodology generally allocates increased shares of lower income RHNA to jurisdictions that have higher housing costs. In support of a mix of affordability, the highest housing cost cities generally receive higher shares of lower income RHNA. Under this methodology the 15 cities with the highest median housing costs all receive greater than 50 percent of the RHNA as lower income RHNA. Beverly Hills with the 18th highest median housing costs receives the 25th highest share of lower income RHNA; Westlake Village with the 14th highest median housing costs receives the 12th highest share of lower income RHNA; Aliso Viejo with the 23rd highest median housing costs receives the 38th highest share of lower income RHNA; and Villa Park with the 10th highest median housing costs receives the 31st highest share of lower income RHNA.

2. Promoting 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 provided by the State Air Resources Board pursuant to Section 65080.

The draft SCAG RHNA methodology furthers the environmental principles of this objective as demonstrated by the transportation and job alignment with the RHNA allocations.

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[2] While HCD finds that this particular methodology furthers the objectives of RHNA, HCD's determination is subject to change depending on the region or cycle, as housing conditions in those circumstances may differ.

3. Promoting 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.

Half of the existing need portion of the draft SCAG RHNA methodology is set based on the jurisdiction's share of the region's estimated jobs in 2045. While future looking job projections are important for housing planning, and housing built in the next decade will likely exist for 50-100 years or more, it is also critical to plan for the needs that exist today. This objective specifically considers the balance of low-wage jobs to housing available to low-wage workers. As part of HCD's analysis as to whether this jobs-housing fit objective was furthered by SCAG's draft methodology, HCD analyzed how the percentage share of the region's lower income RHNA compared to the percentage share of low-wage jobs.

For example, under the draft SCAG RHNA methodology Irvine would receive 1.84 percent of the region's lower income RHNA, and currently has 2.07 percent of the region's low-wage jobs, .23 percent less lower income RHNA than low-wage jobs for the region. Pomona would receive .71 percent of the region's lower income RHNA, and currently has .57 percent of the region's low-wage jobs, .13 percent more lower income RHNA than low-wage jobs for the region. Across all jurisdictions there is generally good alignment between low-wage jobs and lower income RHNA, with all but 15 jurisdictions within a half percent plus or minus difference between their share of lower income RHNA for the region and their percentage low-wage jobs for the region.

HCD is aware there has been some opposition to this current methodology from jurisdictions that received lower allocations under prior iterations; however it is worth noting that even if it is by a small amount, many of the jurisdictions that received increases are still receiving lower shares of the region's lower income RHNA compared to their share of the region's low-wage jobs. HCD recommends any changes made in response to appeals should be in the interest of seeking ways to more deeply further objectives without compromising other objectives.

4. Allocating 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, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

This objective is furthered directly by the social equity adjustment factor included in the draft SCAG RHNA methodology. Jurisdictions in the SCAG region range from as little as 10.9 percent lower income households to 82.7 percent lower income households. The 20 jurisdictions with the greatest share of lower income households, 67.2-82.7 percent lower income households, would receive an average of 31.6 percent lower income share of their RHNA; compared to the 20 jurisdictions with the lowest share of lower income households, 10.9-25.1 percent lower income households, would receive an average of 59.1 percent lower income share of their RHNA. While the social equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology. This factor directs more lower income RHNA to higher opportunity areas and reduces allocations in segregated concentrated areas of poverty, as defined in the HCD/TCAC Opportunity Maps, which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. 14 of the top 15 highest shares of lower income RHNA are in regions over 99.95 percent High and Highest Resource areas. These include: Imperial, La Habra Heights, Rolling Hills Estates, Hermosa Beach, La Cañada Flintridge, Palos Verdes Estates, Manhattan Beach, Rolling Hills, Agoura Hills, Rancho Palos Verdes, Westlake Village, San Marino, Eastvale, and Hidden Hills. With the exceptions of the cities of Vernon and Industry, the 31 jurisdictions with the highest share of lower income RHNA are all over 95 percent High and Highest Resource areas.

HCD appreciates the active role of SCAG staff in providing data and input throughout the draft SCAG RHNA methodology development and review period. HCD especially thanks Ping Chang, Kevin Kane, Sarah Jepson, and Ma'Ayn Johnson for their significant efforts and assistance.

HCD looks forward to continuing our partnership with SCAG to assist its member jurisdictions to meet and exceed the planning and production of the region's housing need.

Support opportunities available for the SCAG region this cycle include, but are not limited to:
- SB 2 Planning Technical Assistance (Technical assistance available now through June 2021)
- Regional and Local Early Action Planning grants (25 percent of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.

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