

Association of Bay Area Governments

Executive Board

May 16, 2024

Agenda Item 12.a.

Regional Housing Needs Allocation (RHNA)

Subject:

California's Housing Future 2040: Housing Community Development Recommendations

Presentation on recommendations from Department of Housing and Community Development's (HCD's) recent report on potential RHNA Cycle 7 reforms, including considerations related to potential legislative advocacy.

Background:

RHNA is the state-mandated¹ process to identify the number of housing units (by affordability level) that each jurisdiction must accommodate in the Housing Element of its General Plan. As part of this process, the California Department of Housing and Community Development (HCD) identifies the total number of units across all income groups, for which a region must plan over an eight-year period. This is known as the Regional Housing Needs Determination (RHND).

ABAG must then develop a methodology, consistent with the requirements of State law, to allocate a share of the region's housing need, by income, to each jurisdiction in the Bay Area. This is known as the Regional Housing Needs Allocation (RHNA) process. Each local government must then revise its Housing Element and zoning to show how it plans to accommodate its portion of the region's housing needs.

Issues:

[AB 101 \(2019\)](#) directed HCD, in collaboration with the Office of Planning and Research (OPR) and after engaging in stakeholder participation, to develop recommendations related to the RHNA process and methodology that promote and streamline housing development and substantially address California's housing shortage.

HCD used various strategies to engage stakeholders for the *California's Housing Future 2040: The Next Regional Housing Needs Allocation* initiative, including a webinar, survey, and "Sounding Board" meetings in which ABAG staff participated. In May 2023, ABAG staff also held a webinar for local jurisdictions to facilitate their participation in HCD's process.

On April 18, 2024, HCD issued its report detailing its recommendations for the next RHNA cycle. Its recommendations propose significant changes to the methodology and process for the

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

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RHND and RHNA, as well as for how the RHNA aligns with Plan Bay Area (the Regional Transportation Plan/Sustainable Communities Strategy). The Recommendation Matrix Appendix from HCD's report is included as **Attachment A**.

A memo summarizing some of the key ideas for potential changes to RHNA identified by members of the ABAG Administrative Committee and Executive Board at the conclusion of the RHNA Cycle 6 process is included in the packet for reference (**Attachment B**). Staff's presentation to the Executive Board (**Attachment C**) will review HCD's recommendations and highlight staff's initial reactions to the proposed changes.

Recommended Action:

Information

Attachments:

- A. Recommendation Matrix Appendix from HCD's Report, *California's Housing Future 2040: The Next Regional Housing Needs Allocation (RHNA)*
- B. "Reflecting on the RHNA Process," memo to ABAG Executive Board, March 17, 2022
- C. Presentation

Reviewed:



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