



ASSOCIATION
OF BAY AREA
GOVERNMENTS

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To: City Managers, Community Development Directors
From: Ken Kirkey, ABAG/MTC Planning Director
Date: **TBD**, 2019
RE: Regional Housing Need Allocation – Opportunity to Form a Subregion

The Regional Housing Need Allocation (RHNA) is the state-mandated process to identify the number of housing units, by affordability level, that each jurisdiction must accommodate in the Housing Element of its General Plan (Government Code §65584). As part of this process, the California Department of Housing and Community Development (HCD) identifies the total housing need for the Bay Area for an eight-year period (in this cycle, from 2022 to 2030).

As the Council of Governments for the San Francisco Bay Area, ABAG is responsible for developing a methodology to allocate to each city and county a portion of the region's total housing need received from HCD. Key milestones for completing the RHNA process include:

- Release proposed methodology for public comment
- Publish draft methodology and submit to HCD for review
- Adopt final methodology
- Release draft allocation
- Consider appeals of allocations to jurisdictions
- Adopt final RHNA

ABAG will kick off the RHNA process by convening a Housing Methodology Committee (HMC) in Fall 2019 to advise staff during development of the allocation methodology. For more information about RHNA, visit <https://abag.ca.gov/planning/housingneeds/>.

Opportunity to Form a Subregion

Housing Element law allows two or more jurisdictions to form a “subregion” to conduct a parallel RHNA process to allocate the subregion's housing need among its members. Jurisdictions that form a subregion will accept responsibility for meeting all statutory requirements for RHNA, including undertaking all of the milestones highlighted above.

Jurisdictions that wish to form a subregion must inform ABAG by February 2020. The requirements for forming a subregion and other key details about subregions are available in the attached Fact Sheet.

The subregion process allows for greater collaboration among jurisdictions, potentially enabling RHNA allocations that are more tailored to the local context as well as greater coordination of local housing policy implementation. I encourage you to consider partnering with your neighboring communities to form a subregion for completing the RHNA process.

Please contact Gillian Adams, Housing Program Manager, at gadams@bayareametro.gov or 415-820-7911, to discuss the subregion option or to answer any questions you may have.

KK: GA

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Attachments *RHNA Subregion Fact Sheet*

CC: ABAG Executive Board, MTC Commission

RHNA SUBREGION FACT SHEET

What is a RHNA Subregion?

A subregion receives a share of the region's total housing need and must allocate a portion to each participating jurisdiction. Creating a subregion provides an opportunity for local governments to exercise greater control over the housing allocation process and provides expanded opportunities for collaboration.

Under the law, by accepting delegation, the subregion is tasked with responsibility for all RHNA tasks, including maintaining the subregion's total housing need, developing an allocation methodology for the subregion that is reviewed by HCD, releasing a draft housing allocation by income using the subregion's adopted allocation methodology, addressing any appeals of the subregion's draft allocation, preparing and approving the subregion's final allocation and conducting the required public hearings.

What are the benefits and challenges of a subregion?

Benefits

- Fosters collaboration among jurisdictions and creates new opportunities for partnerships
- Facilitates dialogue between jurisdictions and the public on housing issues
- Allows potential for allocations that are more tailored to the local context as well as greater coordination of local housing policy implementation
- Promotes better alignment between local and regional needs

Challenges

- Increased scrutiny and HCD oversight for upcoming cycle
- Jurisdictions must commit resources and staff time, which can be significant
- Potential for lack of compromise

Who can form a subregion?

By statute, a subregion "may include a single county and each of the cities in that county or any other combination of geographically contiguous local governments."¹ In past RHNA cycles, subregions have included all jurisdictions in a county and the unincorporated county.

What must a subregion do?

The subregion must carry out all requirements in Government Code Section 65584 to allocate its share of the region's housing need to its members. Major tasks include:

- Develop a draft allocation methodology, to be submitted to HCD for review and comment
- Adopt a final method and issue a draft allocation
- Conduct the process by which allocations can be appealed
- Adopt the final allocation plan

If the subregion fails to complete the allocation, ABAG must make allocations to subregion members.

¹ Government Code Section 65584.03.

How has the subregion process changed from previous RHNA cycles?

Major changes include:

- **A greater focus on equity outcomes:** as a result of recent legislation, the subregion's final RHNA plan must now meet a new objective to "affirmatively further fair housing."² Generally speaking, this means "taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination."³
- **New factors to be considered for the allocation methodology:** overcrowding, loss of units during a state of emergency, and the region's greenhouse gas emissions target.
- **Greater HCD oversight:** the subregion must submit its methodology to HCD for review and comment prior to issuing the draft allocation.

What is the process for forming a subregion?

1. **Obtain local commitment:** By statute, each jurisdiction must adopt a resolution approving its participation in the subregion and then ABAG must adopt a resolution acknowledging formation of the subregion. This must be completed by December 2019.
2. **Identify coordinating agency:** The subregion must identify a lead agency to which ABAG can delegate the authority for conducting RHNA. This usually consists of an existing institutional body that convenes multiple jurisdictions. This must be completed by December 2019.
3. **Sign a Memorandum of Understanding (MOU) with ABAG:** The MOU outlines the process, timing, and other terms and conditions for delegation of responsibility by ABAG to a subregion. After the subregion has been adopted by the ABAG Executive Board (expected January 2020), ABAG staff will work with the lead agency of the subregion to develop the MOU.

How is a subregion implemented locally?

The subregion's lead agency manages the activities to complete the RHNA process. In the previous RHNA cycle, lead agencies were the Napa Valley Transportation Authority, the Solano City County Coordinating Council, and the City/County Association of Governments of San Mateo County. Starting a subregion without an existing institutional entity is possible, but it would likely require additional planning and coordination.

Lead agencies have typically established committees with representation from each member jurisdiction to carry out the following roles:

- A Technical Advisory Committee to make recommendations related to the methodology and allocation.
- A Policy Advisory Committee made up of elected officials to review the work of the TAC and develop policy recommendations for consideration by the Governing Body.
- Governing Body to provide policy direction and take all actions required to fulfill the statutory obligations of the subregion.

How much time does the subregional process take? How much does it cost?

Completion of the RHNA plan takes approximately 18 months from the time of formal designation (December 2019) to adoption of the final RHNA (July 2021), with an additional 2 to 6 months prior to designation to obtain resolutions from participating jurisdictions. In previous cycles, subregions have spent between \$50,000-\$200,000 for staff time and consultant support.

² Government Code Section 65584(d).

³ <https://www.hudexchange.info/programs/affh/>