



ASSOCIATION
OF BAY AREA
GOVERNMENTS

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To: City Managers/County Administrators, Community Development and Planning Directors
From: Ken Kirkey, ABAG/MTC Planning Director
CC: ABAG Executive Board, MTC Commission
Date: June 24, 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/our-work/housing/rhna-regional-housing-need-allocation>.

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 1, 2020. The requirements for forming a subregion and other key details about subregions are available in the attached RHNA Subregion 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, RHNA Project Manager, at gadams@bayareametro.gov or 415-820-7911, to discuss the subregion option or to answer any questions you may have.

KK: GA

C:\Users\gadams\Box\RHNA\Subregions\Subregion Memo to Local Planners 062419.docx

Attachments *ABAG 2022-2030 RHNA and Plan Bay Area 2050 Key Milestones*
RHNA Subregion Fact Sheet

ABAG 2022-2030 RHNA and Plan Bay Area 2050 Key Milestones

Per Government Code §65588(e)(3)(A), the Housing Element Due Date is 18 months after adoption of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). Plan Bay Area 2050, the next regional plan, is scheduled to be adopted in June 2021, with the Housing Element Due Date in December 2022. This schedule assumes that there are subregions. Dates are tentative and subject to change.

	Key Milestones	Deadline
1	Plan Bay Area 2050 and RHNA Kickoff	September 2019
2	Release Draft Plan Bay Area 2050 Regional Growth Forecast, Adopt Growth Framework Update	September 2019
3	Jurisdiction Survey on RHNA factors, Fair Housing ¹	December 2019
4	Deadline for Subregions to Form ²	February 2020
5	Adopt Final Plan Bay Area 2050 Regional Growth Forecast; Release Plan Bay Area 2050 Draft Preferred Scenario	April 2020
6	Dept. of Housing and Community Development (HCD) Issues RHND ³	April 2020
7	Release Proposed Methodology, ⁴ Release Draft Subregion Shares	May 2020
8	Public Hearing on Proposed Methodology, Subregion Shares	June 2020
9	Adopt Plan Bay Area 2050 Preferred Scenario	July 2020
10	Assign Subregion Shares ⁵	July 2020
11	Release Draft Methodology and Submit to HCD for Review ⁶	September 2020
12	Release Plan Bay Area 2050 Draft Plan and EIR	January 2021
13	Adopt Final Methodology after 60-day HCD Review Period ⁷	January 2021
14	Release Draft Allocation ⁸	January 2021
15	Deadline for Appeals to Draft Allocation ⁹	March 2021
16	Comment Period on Appeals Received ¹⁰	April 2021
17	Public Hearing on Local Appeals ¹¹	May 2021
18	Decision on Appeals, Issue Final Allocation ¹²	May 2021
19	Adopt Plan Bay Area 2050 Final Plan and EIR	June 2021
20	Public Hearing to Adopt Final Allocation Plan ¹³	July 2021
21	HCD Determination of Consistency with Housing Element Law ¹⁴	August 2021
22	Local Governments Adopt Housing Element Update	December 2022

Glossary of Acronyms

ABAG – Association of Bay Area Governments
 EIR – Environmental Impact Report
 HCD – California Department of Housing and Community Development
 RHNA – Regional Housing Need Allocation
 RHND – Regional Housing Need Determination
 RTP – Regional Transportation Plan
 SCS – Sustainable Communities Strategy

¹ GC §65584.04(b). No more than 6 months before draft methodology release.

² GC §65584.03(a). No later than Aug 2020.

³ GC §65584.01(b)(1). No later than Oct 2020.

⁴ GC §65584.04. ABAG/Subregion must conduct at least one public hearing prior to releasing draft methodology. No later than Dec 2020.

⁵ GC §65584.03(c). No later than Nov 2020.

⁶ GC §65584.04(h).

⁷ GC §65584.04(i).

⁸ GC §65584.05(a). No later than Jun 2021.

⁹ GC §65584.05(b). Within 45 days of draft allocation.

¹⁰ GC §65584.05(c). Within 45 days of appeal deadline.

¹¹ GC §65584.05(d) Hearing must be no later than 30 days after the appeals comment period ends, with 21 days prior notice.

¹² GC §65584.05(e). No later than 45 days after public hearing.

¹³ GC §65584.05(g). Within 45 days after final allocation issued.

¹⁴ Within 30 days after HCD receives Final Plan.

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 The subregion must include the unincorporated county as a member. It does not need to include all jurisdictions within the county, but the subregion members must be geographically contiguous.

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 February 1, 2020.
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 February 1, 2020.
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 March 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 (February 2020) 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/>