

Association of Bay Area Governments

Executive Board

July 18, 2019

Agenda Item 10.b.

Regional Housing Need Allocation (RHNA)

Subject: Report on Regional Housing Need Allocation (RHNA)

Background: Staff will introduce the Regional Housing Need Allocation (RHNA) process for the 2022-2030 period.

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) develops the total housing need determination (RHND) for the Bay Area for an eight-year period (in the next cycle, from 2022 to 2030). ABAG has an opportunity to consult with HCD on the forecast assumptions used in the RHND.

ABAG must then develop a methodology to distribute this need to local governments in a manner consistent with the development pattern in *Plan Bay Area 2050*. RHNA statutes outline a detailed process and schedule for how ABAG must develop an allocation methodology that meets the statute's objectives. The methodology must consider 12 statutory factors and accomplish two outcomes:

- Allocate a share of housing need (in units) to each jurisdiction
- Identify each jurisdiction's share of need by income category²

The RHNA objectives and methodology factors are summarized in Attachment A.

After ABAG adopts the methodology it issues a draft allocation to jurisdictions. Jurisdictions and HCD then have an opportunity to appeal a jurisdiction's allocation. After ABAG takes action on the appeals, it issues the final allocation. Each local government must then revise its Housing Element to show how it plans to accommodate its portion of the region's housing need. The Housing Element must include an inventory of sites that have been zoned for sufficient capacity to accommodate the jurisdiction's RHNA allocation. ABAG's formal role within RHNA ends with adoption of the final allocation—it does not have a say

¹ Government Code §65584

² Very Low Income is 0-50% of Area Median Income (AMI), Low Income is 50-80% of AMI, Moderate Income is 80-120% AMI, and Above Moderate is 120%+ AMI. For reference, the county AMI for a four-person household ranges from \$83,700 in Solano County to \$125,200 in Santa Clara County.

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in approval of local jurisdictions' Housing Elements. Attachment B shows the schedule of key milestones for the RHNA process.

Issues:

(1) Recent legislation will result in the following key changes for this RHNA cycle:

Expected higher total regional housing need. HCD's identification of the region's total housing need has changed to account for unmet existing need, rather than only projected housing need. HCD is now required to consider overcrowded households, cost burdened households, and a minimum target vacancy rate.

RHNA plan and local Housing Elements must affirmatively further fair housing. According to HCD, achieving this objective includes preventing segregation and poverty concentration as well as increasing access to areas of opportunity. HCD has mapped Opportunity Areas³ and will develop guidance for jurisdictions about how to address affirmatively furthering fair housing in Housing Elements.

More HCD oversight of RHNA. ABAG and subregions must now submit the draft allocation methodology to HCD for review and comment.

Identifying Housing Element sites for affordable units will be more challenging. Recent legislation has limited the extent to which jurisdictions can reuse sites included in previous Housing Elements and increased the level of scrutiny of small, large, and non-vacant sites when these sites are proposed to accommodate units for very low- and low-income households.

(2) Housing Methodology Committee: For the last three RHNA cycles, ABAG has convened an ad hoc Housing Methodology Committee (HMC) to advise staff on the allocation methodology and to ensure the methodology and resulting allocation meet statutory requirements and are consistent with the development pattern of the RTP/SCS. ABAG staff is recommending to again convene an HMC that includes local elected officials and staff as well as regional stakeholders to facilitate sharing of diverse viewpoints across multiple sectors. The proposed composition for the HMC is outlined in Attachment C.

³ See <https://www.treasurer.ca.gov/ctcac/opportunity.asp>

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(3) Subregions: 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. A subregion is responsible for conducting its own RHNA process that meets all of the statutory requirements related to process and outcomes, including developing its own RHNA methodology, allocating a share of need to each member jurisdiction, and conducting its own appeals process. The subregion’s final allocation must meet the same requirements as the regional allocation: it must further the statutory objectives, have considered the statutory factors, and be consistent with the development pattern of the SCS. Attachment D is a letter and fact sheet about subregions that was sent to jurisdictions to let them know about the opportunity to form a subregion.

Next Steps:

Staff will seek nominations for the HMC and present the proposed committee roster to the ABAG Executive Board for approval in September.

Recommended Action:

Information

Attachments:

- A. RHNA Objectives and Factors
- B. 2022-2030 RHNA Key Milestones
- C. Proposed HMC Composition
- D. Subregions Letter and Fact Sheet
- E. Presentation

Reviewed:



Therese W. McMillan