WELCOME

ABAG Housing
Methodology Committee

December 19, 2019

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Methodology Committee

December 19, 2019
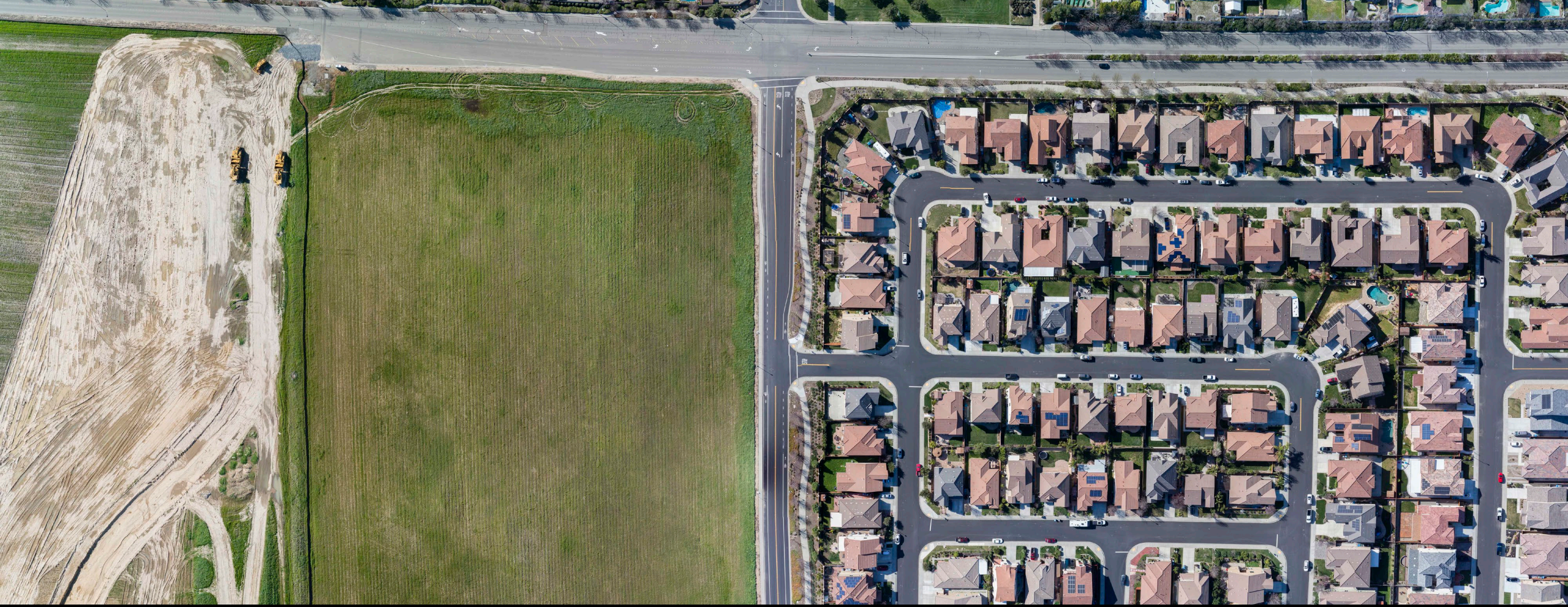
RELATIONSHIP BETWEEN PLAN BAY AREA 2050 & RHNA | ABAG Housing Methodology Committee
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INTRO TO FACTORS VIA HMC'S HOUSING GOALS

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Summary of HMC Housing Goals

1. Emphasize benefits to the region as a whole

2. Ensure transparency and ease of understanding, make sure people feel heard

3. Get more units built: make sure everyone has a place to live

4. Further social and racial equity

5. Create choices for all, so all communities have access to opportunities

6. Further the jobs-housing fit

7. Use this process as an opportunity to communicate the magnitude of the need for housing

Understanding a RHNA Methodology

- Encourages pattern of housing growth for the Bay Area

- Zero-sum game: based on relative relationships among jurisdictions

  - Example: if choose jobs factor, more jobs in jurisdiction = more units; fewer jobs in jurisdiction = fewer units

  - Must allocate all units in the RHND from HCD

- Allocation is to jurisdiction – not specific locations

  - Can have factors related to a specific geography (e.g., near transit) but cannot require jurisdiction to zone for housing there

- Does not include specific policies or address housing needs of population groups

  - Jurisdictions only receive allocation of units by income group from ABAG

  - Local housing element: choose sites for housing, policies to meet local housing needs

What does a RHNA Methodology Look Like?

- Formula to divvy up total housing need from HCD among all jurisdictions in Bay Area

- Allocation to each jurisdiction separated into four income categories

- Plan Bay Area 2050 (region's SCS/RTP) can be an input

- Formula uses factors that translate a principle or attribute into numbers

- Factors use data for each jurisdiction in the region to determine the jurisdiction's share of the total need

Sample: ABAG 5th Cycle Methodology

Formula for Total Units:

70% of housing based on PDA growth

30% of housing based on factors for non-PDA areas:
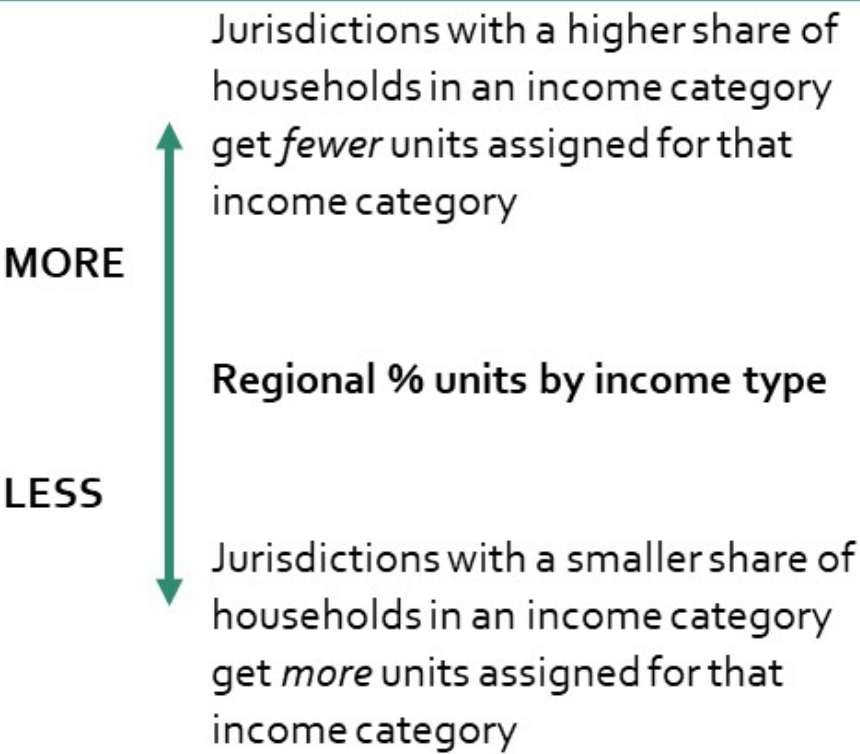
Transit

Jobs

Past RHNA Performance

Upper Housing Threshold: No more than 1.5 X 2007-2014 RHNA

Minimum Housing Floor: At least 40% Growth

Formula for Income Allocation:

Rebalance Income Distribution

Jurisdictions with a higher share of households in an income category get *fewer* units assigned for that income category

MORE

Regional % units by income type

LESS

Jurisdictions with a smaller share of households in an income category get *more* units assigned for that income category

Sample: SACOG 6ᵗʰ Cycle Draft Methodology

Formula for Total Units:

Housing to jurisdictions based on share of MTP/SCS growth forecast

Formula for Income Allocation: Adjustment Factors for Assigning Lower-Income Units

1. Regional Income Parity	2. Affirmatively Furthering Fair Housing	3. Jobs/Housing Fit
MORE — Jurisdictions with more lower-income households get *fewer* of those units assigned	**MORE** — Jurisdictions with higher than average proportion of units in high opportunity areas get *more* lower-income units assigned	**MORE** — Jurisdictions with higher ratio of low-wage workers to affordable housing units get *more* lower-income units assigned
Regional % lower income households	**Encourage high opportunity areas as areas to zone for growth**	**House more low-wage workers near jobs in affordable homes**
LESS — Jurisdictions with fewer lower-income households get *more* of those units assigned	**LESS** — Jurisdictions with lower than average proportion of units in high opportunity areas get *fewer* lower income units assigned	**LESS** — Jurisdictions with lower ratio of low-wage workers to affordable housing units get *fewer* lower-income units assigned

Sample: SANDAG 6th Cycle Draft Methodology

Formula for Total Units:

65% of housing to jurisdictions with transit access

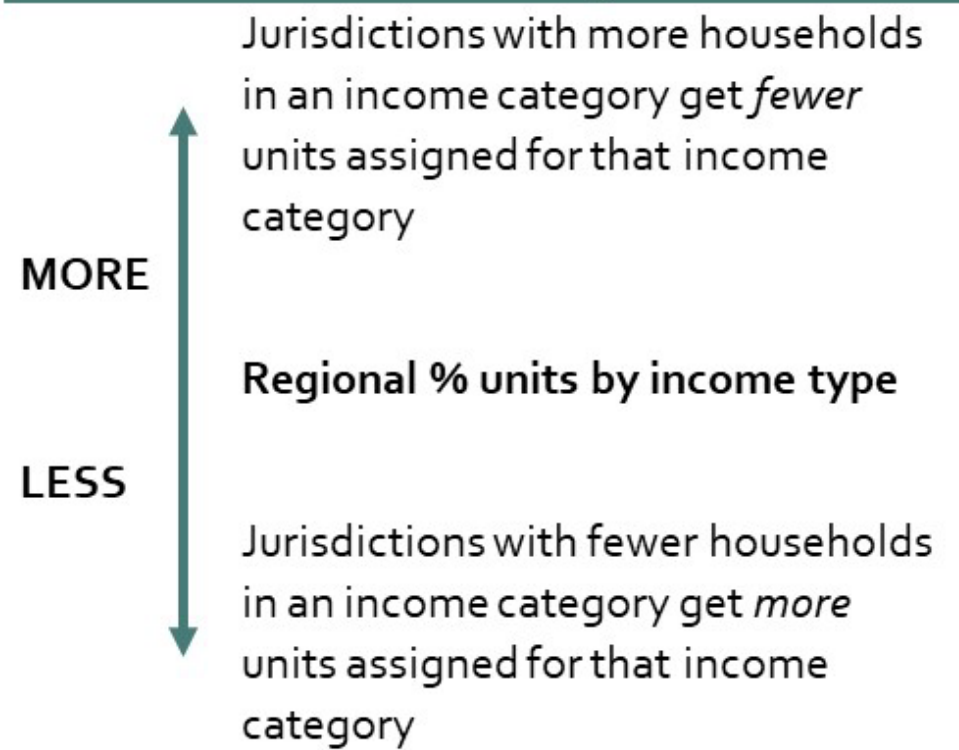75% of housing to jurisdictions with rail and rapid bus

25% of housing to jurisdictions with major local bus lines

35% of housing to jurisdictions with jobs

Formula for Income Allocation:

Equity applied to ALL, based on the four income categories

MORE

Jurisdictions with more households in an income category get *fewer* units assigned for that income category

Regional % units by income type

LESS

Jurisdictions with fewer households in an income category get *more* units assigned for that income category

Sample: SCAG 6th Cycle Draft Methodology*

Formula for Total Units:

Existing Need:

50% of housing to jurisdictions with transit access

50% of housing to jurisdictions with job access
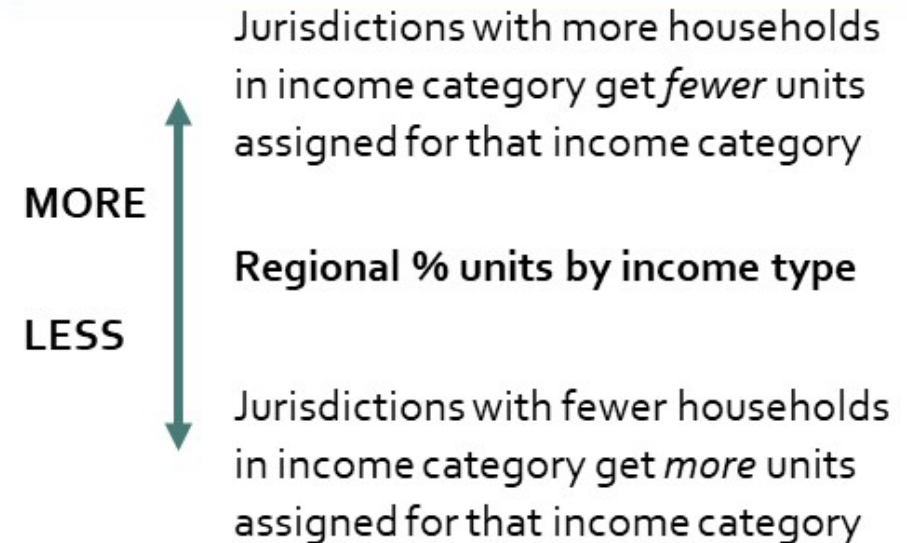
Residual redistribution for disadvantaged communities

Projected Need:

- Household growth from RTP/SCS
- Future vacancy need
- Replacement need

Formula for Income Allocation:

Social Equity Adjustment

Jurisdictions with more households in income category get *fewer* units assigned for that income category

MORE

Regional % units by income type

LESS

Jurisdictions with fewer households in income category get *more* units assigned for that income category

- 150% minimum adjustment
- 0-30% additional adjustment for areas with lowest or highest resource concentration

* SCAG's Draft Methodology has not yet been approved by HCD

Summary

- Can use SCS/RTP – but not required

- Most focus on factors related to access to jobs and transit

- Can focus on existing conditions or future projections

- Varying levels of complexity and ease of understanding

- Equity factors only used for income distributions

Discussion Questions

- To what extent should the RHNA allocation methodology integrate the Plan Bay Area 2050 Blueprint?

  - Pros:

    - Increases consistency between Plan and RHNA

    - Integrates local land use planning and zoning into baseline

    - Comprehensively considers how housing relates to transportation, economy, and environment

    - Improves integration of market realities and impacts of policy changes through land use modeling

  - Cons:

    - Decisions about policies and strategies to be included in Plan Blueprint still underway, expected this winter with a forecasted development pattern by spring 2020

    - Past iterations of Plan Bay Area have focused primarily on voluntarily-adopted Priority Development Areas (PDAs), which contributed to equity challenges

Discussion Questions

- What works in the sample methodologies?

- Are there other factors that should be added?

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REGIONAL HOUSING NEEDS DETERMINATION (RHND)

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HCD Responsibilities
Regional Housing Needs Determination (RHND)

- Total number of units by income category for the Bay Area*

- **Step 1: projecting population**

  - Compare population projections from DOF and from Plan Bay Area 2050

    - If region is within 1.5% of DOF forecast, then use region

    - If greater than 1.5%, then consultation between HCD and ABAG

- If no agreement, HCD has the final say

per requirements of Government Code Section 65584.01
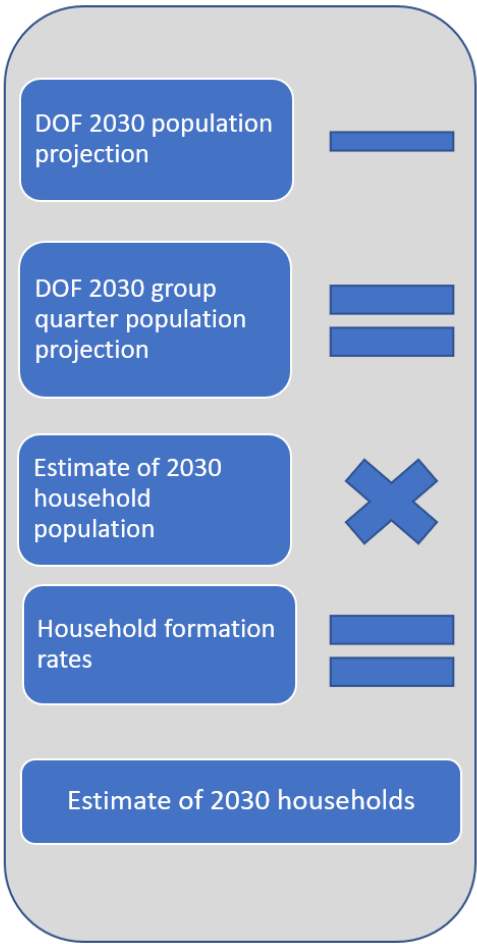
HCD Responsibilities
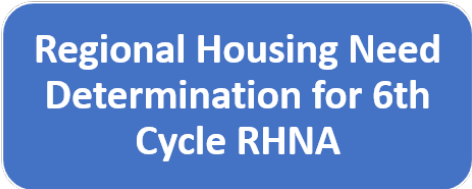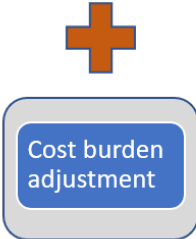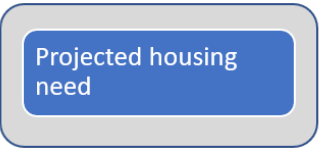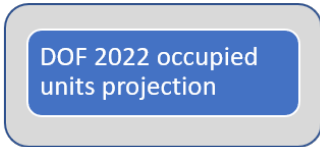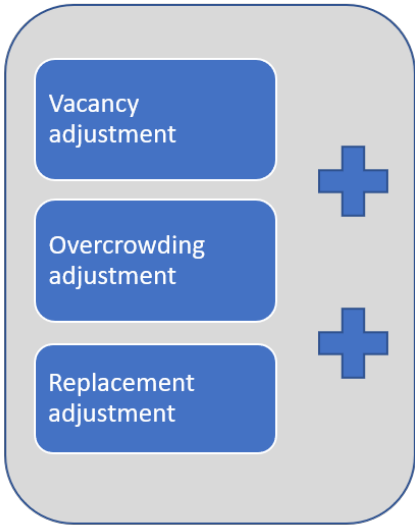# Regional Housing Needs Determination (RHND)

- **Step 2: determining housing need**

  - ABAG to provide HCD data assumptions related to demographic forecast, relationship between jobs and housing, loss of units during a state-declared state of emergency, etc.

  - Changes to methodology since last cycle:

    - Adjustment related to overcrowding

    - Adjustment related to cost burdened households

    - Target vacancy rate is no less than 5%

    - Adjustments applied to total projected households, not only household growth

HCD Responsibilities—Calculating the RHND

Projected Households Estimate

- DOF 2030 population projection
- DOF 2030 group quarter population projection
- Estimate of 2030 household population
- Household formation rates
- Estimate of 2030 households

Adjustments to Projected Households

- Vacancy adjustment
- Overcrowding adjustment
- Replacement adjustment

DOF 2022 occupied units projection

Projected housing need

Cost burden adjustment

Regional Housing Need Determination for 6th Cycle RHNA

Expectations for a Higher RHND

Examples from similar regions:

	RHNA 5 (2015-2023)	RHNA 6 (2022-2030)	Percent Increase
Los Angeles region (SCAG)	409,060	1,344,740	329%
Sacramento region (SACOG)	104,970	153,512	146%

As a point of reference, the Bay Area's RHND for RHNA 5 was 187,990

- If 146% increase, RHND would be 274,465

- If 329% increase, RHND would be 618,487

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WRAP UP AND NEXT STEPS

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Wrap Up + Next Steps

- Feedback on today's meeting

  - Any feedback or ideas to rhna@thecivicedge.com

- What to expect at Meeting #4 in January 2020

  - Refining ideas about methodology factors

  - Subregion shares