REGIONAL HOUSING NEEDS ALLOCATION
Association of Bay Area Governments

Summary of HCD review of Sacramento Area Council of Governments (SACOG) and San Diego Association of Governments (SANDAG) Draft Methodologies

HCD letter to SACOG, November 1, 2019:
- Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.
    - The methodology generally **allocates more lower income RHNA to jurisdictions that have higher housing costs**: six of the seven cities with the highest housing costs in the region also receive the seven largest shares of lower income RHNA.
    - There is fairly close alignment between the ranking of housing costs and share of lower income RHNA across all jurisdictions. This outcome helps to facilitate a mix of affordability, housing types, and tenure throughout the region.

- Objective 2: Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets.
    - Draft allocation furthers the infill and environmental principles of this objective, as the overall **allocation is based on SACOG's infill and job focused MTP**.
    - **Jobs-housing adjustment factor further directs lower income RHNA toward low-wage job centers**, encouraging "jobs-housing fit," efficient development patterns, greater housing access for low-wage workers, and greenhouse gas reduction.

- Objective 3: Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
    - The **jobs-housing fit adjustment factor directs more lower income RHNA to places with a higher overall number of low-wage jobs**, and a higher number of low-wage jobs compared to units affordable to low-wage workers.
    - **Strong overlap between the ranking of a jurisdiction's total low wage jobs and the ranking of a jurisdiction's total lower income RHNA**: seven of the eight jurisdictions with the highest number of low-wage jobs also receive the eight highest shares of lower income RHNA for the region.
    - Generally strong **alignment between the rank of the jobs-housing ratio for a jurisdiction (more low-wage jobs to less affordable housing) and the share of lower income RHNA that a jurisdiction receives**.

- Objective 4: Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category.
    - Furthered directly by the regional income parity adjustment factor included in the draft methodology, which provides an **upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in each income category compared to the region**.

- Objective 5: Affirmatively furthering fair housing.
    - HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology, **which directs more lower income RHNA to areas having more housing units in higher opportunity areas, as defined in the HCD/TCAC Opportunity Maps**.
    - The **top seven jurisdictions with the most homes in High Opportunity areas receive the top seven largest shares of lower income RHNA** thus encouraging more affordable homes in higher resourced areas and increasing housing access to these communities for lower income households.

HCD letter to SANDAG, November 18, 2019:
- Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.
    - Allocates **more lower income RHNA in jurisdictions with more single-family homes**, which will encourage higher density planning in these jurisdictions and a mix of housing types.
    - In support of the affordability objective, the draft **methodology allocates more lower income RHNA in more costly areas of the region**.

- Objective 2: Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets.
    - Furthers the infill and environmental principles of this objective, as the **overall allocation is based on the location of jobs and transit access**.
    - Methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead **focuses on where housing is needed to encourage transit ridership and reduced commutes**.

- Objective 3: Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
    - Using overall jobs combined with the equity adjustment in the methodology leads to a **strong overlap between low-wage jobs and lower income RHNA as a percentage of the region's lower income RHNA**.

- Objective 4: Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category.
  - The SANDAG equity adjustment provides an **upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in a given income category compared to the region**.

- Objective 5: Affirmatively furthering fair housing.
  - To evaluate this objective HCD used the 2019 HCD/TCAC Opportunity Maps.
  - Jurisdictions with **no segregated concentrated areas of poverty or lowest resource census tracts and the most area in high or highest resource census tracts receive more lower income RHNA.**
  - The jurisdictions with **large areas in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty generally receive less lower income RHNA** than the regional average.

HCD letter to SCAG, January 13, 2020:

- Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.
  - In support of a mix of affordability, **the highest housing cost cities generally receive higher shares of lower income RHNA**.

- Objective 2: Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets.
  - Furthers the environmental principles of this objective as **demonstrated by the transportation and job alignment with the RHNA allocations**.

- Objective 3: Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
  - As part of HCD's analysis as to whether this jobs-housing fit objective was furthered by SCAG's draft methodology, **HCD analyzed how the percentage share of the region's lower income RHNA compared to the percentage share of low-wage jobs.**
  - Across all jurisdictions there is **generally good alignment between low-wage jobs and lower income RHNA**, with all but 15 jurisdictions within a half percent plus or minus difference between their share of lower income RHNA for the region and their percentage low-wage jobs for the region.

- Objective 4: Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category.
    - This objective is **furthered directly by the social equity adjustment factor included in the draft SCAG RHNA methodology**.
    - The 20 jurisdictions with the greatest share of lower income households, 67.2-82.7 percent lower income households, would receive an average of 31.6 percent lower income share of their RHNA; compared to the 20 jurisdictions with the lowest share of lower income households, 10.9-25.1 percent lower income households, would receive an average of 59.1 percent lower income share of their RHNA.

- Objective 5: Affirmatively furthering fair housing.
    - To evaluate this objective HCD used the 2019 HCD/TCAC Opportunity Maps.
    - This factor directs more lower income RHNA to higher opportunity areas and reduces allocations in segregated concentrated areas of poverty.
    - 14 of the top 15 highest shares of lower income RHNA are in regions over 99.95 percent High and Highest Resource areas.