

Association of Bay Area Governments

Regional Planning Committee

February 5, 2020

Agenda Item 6.a.

Regional Housing Needs Allocation (RHNA)

Subject: Regional Housing Need Allocation: Housing Methodology Committee Update and Overview of New Rules for Identifying Housing Element Sites

Background: Staff will provide an update on recent Housing Methodology Committee (HMC) meetings and an overview of recent changes to the requirements for how local governments identify sites for lower-income housing in their Housing Elements.

Issues: **Update on Housing Methodology Committee Discussions**

The HMC is a key part of ABAG's approach to creating the RHNA allocation methodology. Through the HMC, ABAG staff seek to facilitate dialogue and information sharing in order to enable coordinated action to address the Bay Area's housing challenges.

The [Housing Methodology Committee](https://mtc.legistar.com/Calendar.aspx) had its third and fourth meetings on December 19, 2019 and January 24, 2020. Agenda packets for the HMC meetings are available at <https://mtc.legistar.com/Calendar.aspx>.

Attachment A summarizes the topics discussed at these most recent HMC meetings.

Changes to Laws for Identifying Housing Element Sites

ABAG is currently working with the Housing Methodology Committee to develop the Regional Housing Need Allocation (RHNA) allocation methodology for the sixth cycle. After ABAG allocates a portion of the region's housing need to each jurisdiction, local governments must update their Housing Elements (with an expected due date of December 2022).

Recent legislation has implemented several changes that will affect this RHNA cycle, which will establish housing goals for the Bay Area for the eight-year period from 2022 to 2030. Staff will provide a high-level overview of the new requirements for how local governments select the sites for accommodating lower-income housing units in their Housing Elements.

ABAG/MTC staff anticipates that meeting the new site identification requirements will require significant additional work by local governments compared to past RHNA cycles, particularly when considered along with the expected increase in the total

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housing need assigned to the region by the California Department of Housing and Community Development (HCD) and the new requirement for a local government to demonstrate that its Housing Element “affirmatively furthers fair housing.”

The State’s 2019-2020 Budget Act included significant, one-time funding to assist jurisdictions with implementation of the sixth-cycle RHNA, including through updates of local Housing Elements. This funding will be disbursed through two new programs administered by: (1) the Local Early Action Planning (LEAP) grants program, which will provide funding directly to jurisdictions based on a population-based formula, and (2) the Regional Early Action Planning (REAP) grants program, which will enable ABAG/MTC to enhance the RHNA process, develop a regional housing technical assistance program, and otherwise support efforts to accelerate housing production. Based on HCD estimates, Bay Area jurisdictions are eligible for approximately \$25.5 million directly through the LEAP program, whereas ABAG is eligible for approximately \$24 million from the REAP program. ABAG is eligible to request 25% of the regional funds (approx. \$5.9 million) in the first quarter of 2020.

Attachment B is a letter sent by ABAG to all City Managers/County Administrators and Community Development and Planning Directors in August 2019 that summarizes the major changes to Housing Element Law for the upcoming RHNA cycle.

Next Steps:

The next meeting of the Housing Methodology Committee is currently scheduled to be held on February 18, 2020 at 375 Beale Street.

ABAG will present information about the changes to Housing Element site identification to the Special General Assembly meeting on February 7.

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Recommended Action: Information

Attachments:

- A. HMC Summary
- B. Site Inventory Memo 081219
- C. Presentation

Reviewed:



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