



Housing Methodology Committee Update and Overview of New Rules for Identifying Housing Element Sites

ABAG Regional Planning
Committee

February 5, 2020



HMC Update

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Considering RHNA factors

- December HMC
 - Discussion about Plan Bay Area 2050 as a factor in the methodology
 - Review of other sample methodologies
 - Brainstorm potential factors for RHNA methodology
 - Prioritize factors for further exploration
- January HMC
 - Staff: identify potential factors in response to HMC priorities
 - HMC continues to refine its top priorities for factors
 - Focus on factors for total allocation; income allocation at future meetings

Using the Plan Bay Area Blueprint—Options Discussed by HMC

- **Option 1:** use forecasted development pattern from the Blueprint to direct RHNA allocations
- **Option 2:** use a hybrid approach that uses the forecasted development pattern from the Blueprint along with additional factors to represent policy goals that are underrepresented in the Blueprint to direct RHNA allocations
- **Option 3:** do not use forecasted data from the Blueprint, but include factors that align with the policies and strategies in the Blueprint to direct RHNA allocations

Prioritizing methodology factors

- Small group discussion about potential factors
- Categories:
 - Factors from Plan Bay Area 2050
 - Fair housing and equity
 - Jobs and jobs-housing fit
 - Transportation
 - Other factors of importance
 - Natural hazards
 - Past RHNA performance



Proposed methodology evaluation criteria

- Based on analytical framework used by HCD to evaluate draft RHNA methodologies from Sacramento, San Diego and Los Angeles regions
- Organized by required RHNA objectives from Housing Element Law
- Staff proposing to use to evaluate methodology options as we work toward proposed methodology

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
- **Step 2: determining housing need**
 - ABAG to provide HCD data assumptions
 - 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

* per requirements of Government Code Section 65584.01



Overview of New Rules for Identifying Housing Element Sites

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What's new this RHNA cycle?

Greater emphasis on social equity

Higher expected total regional housing need

Expanded HCD oversight on methodology & allocations

More factors to consider in allocations (*overpayment; overcrowding; greenhouse gas target; jobs-housing fit*)

New requirements for identifying eligible sites for Housing Elements



Changes to Housing Element site selection for lower-income housing

- A few caveats:
 - This presentation does not cover all recent changes that affect Housing Elements—only those related to identifying affordable housing sites
 - ABAG/MTC staff is providing a high-level overview *for informational purposes only*
 - HCD staff is responsible for reviewing and approving Housing Elements and site inventories—**for more information, please contact HCD**
 - HCD guidance expected Spring 2020

Changes to Housing Element site selection for lower-income housing

Cannot “re-use” site unless provide minimum density and “by right” zoning

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Narrow definition of vacant, and if non-vacant sites used for 50% or more of lower-income need, existing use presumed to impede development

Changes to Housing Element site selection for lower-income housing

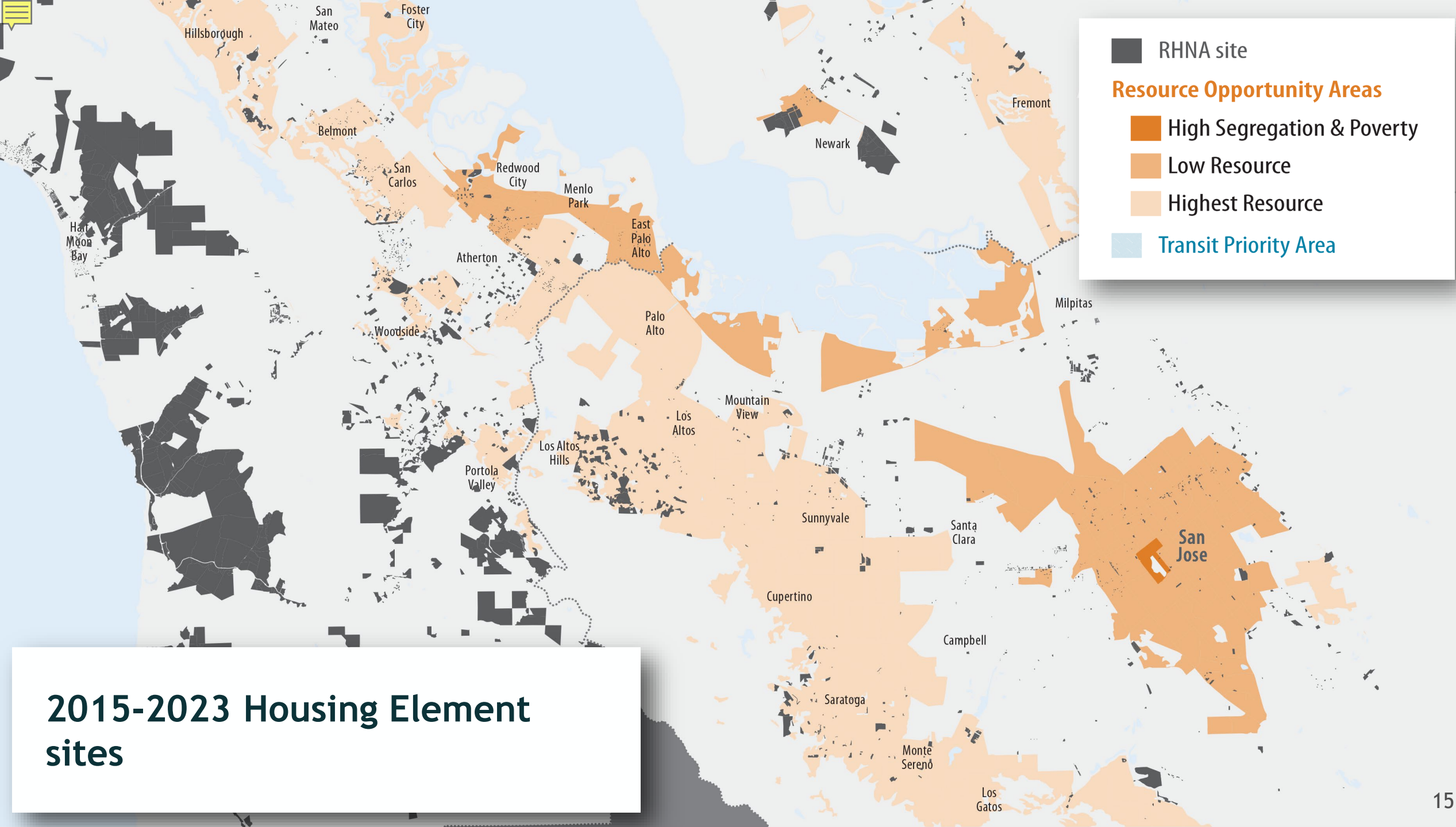
Cannot “re-use” site unless provide minimum density and “by right” zoning

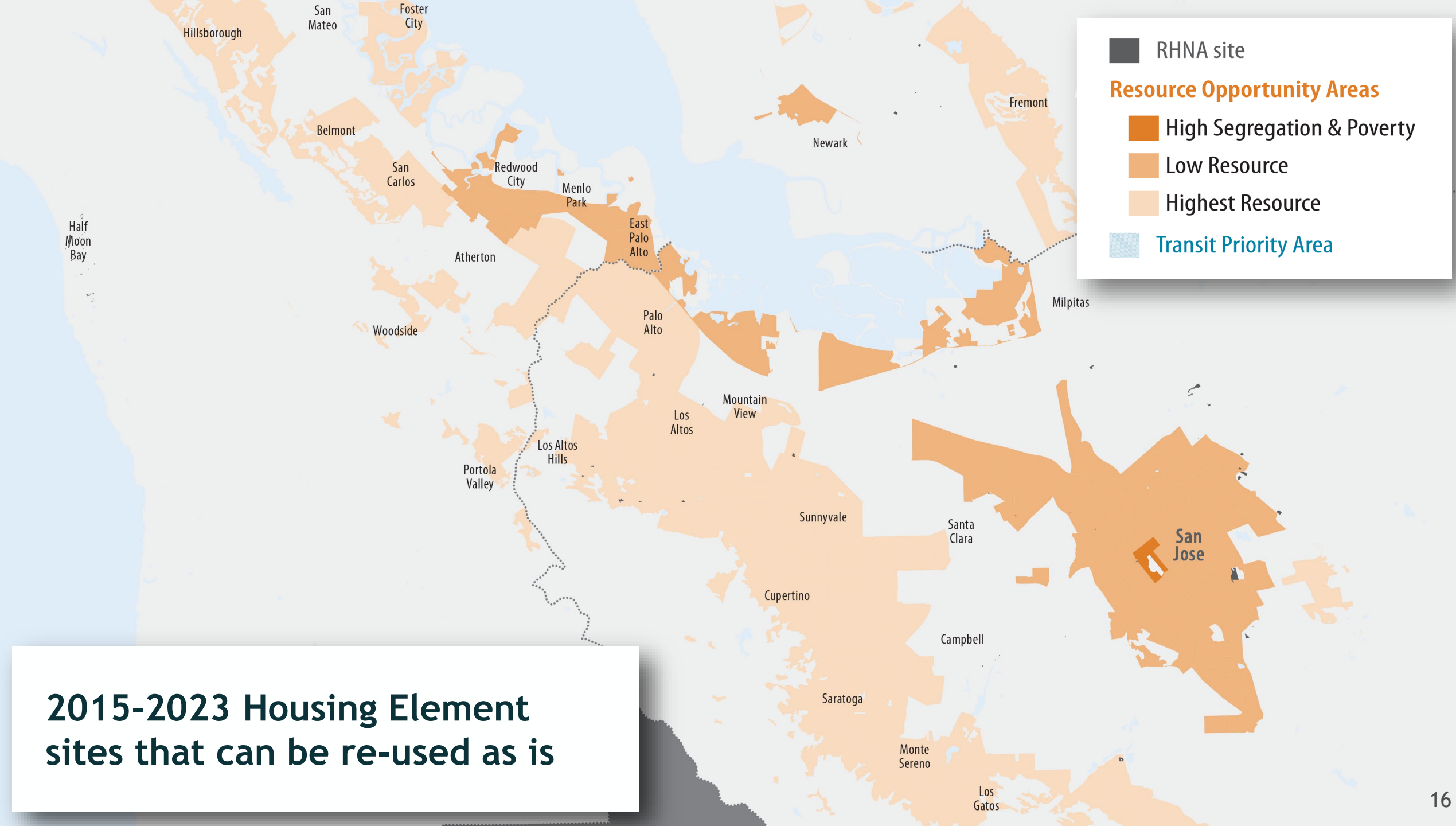
Narrow definition of vacant, and if non-vacant sites used for 50% or more of lower-income need, existing use presumed to impede development

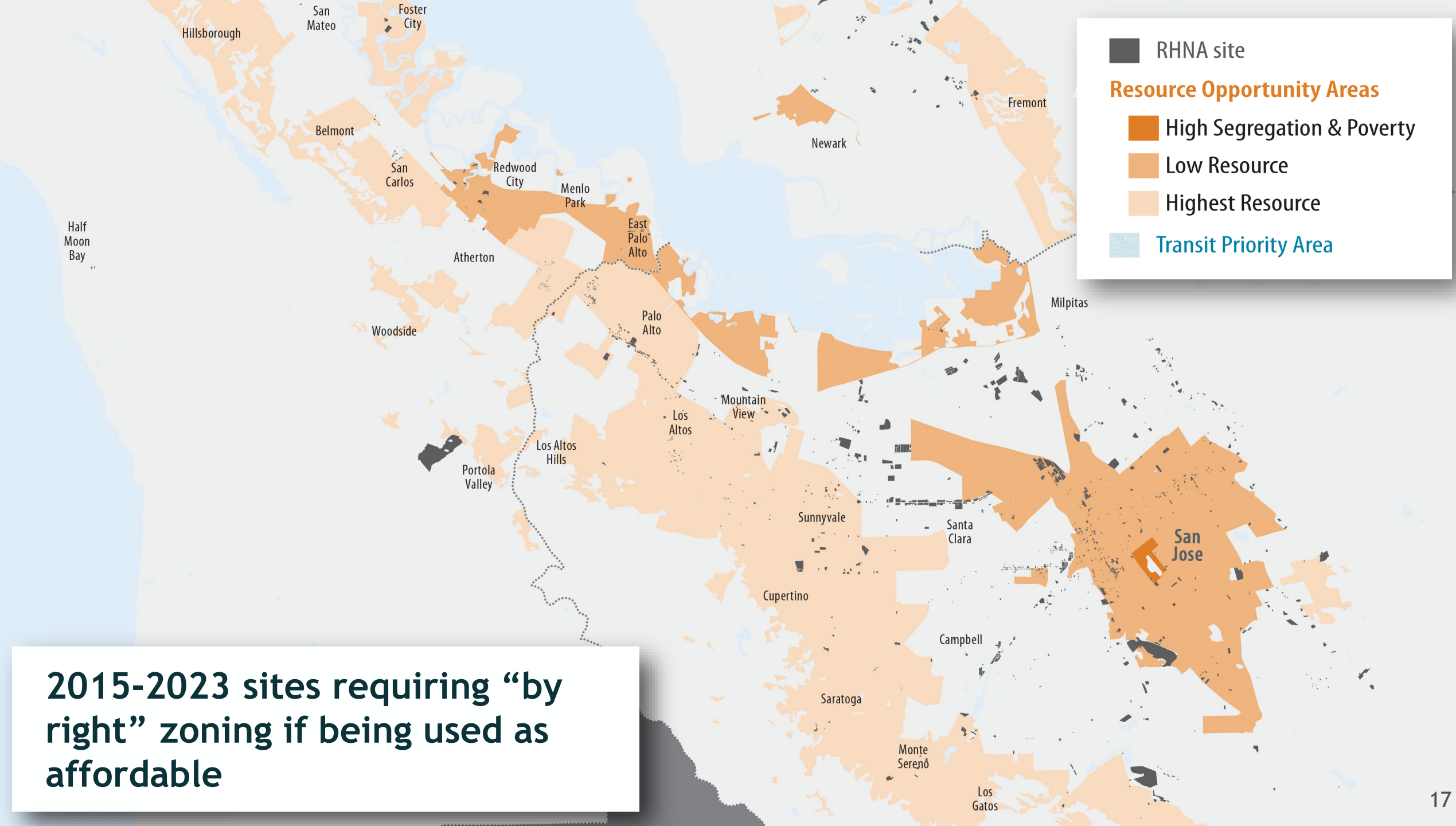
Cannot use sites smaller than 0.5 acre or larger than 10 acres without substantial evidence

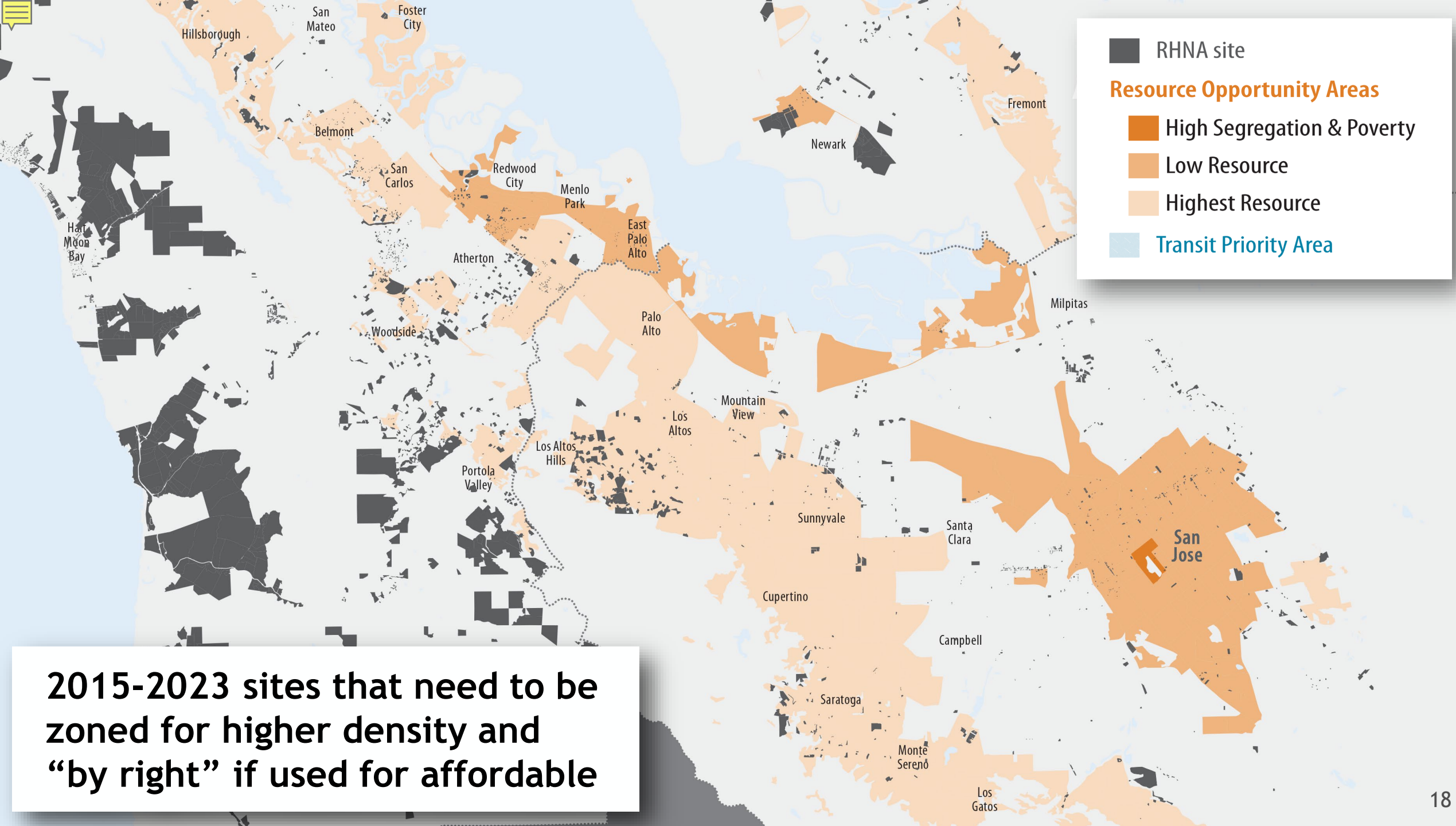
ABAG/MTC Housing Element sites analysis

- Review of sites from 2007-2014 RHNA and 2015-2023 RHNA
- Analysis for entire region available from ABAG/MTC staff
- Based on data collected from local Housing Elements
 - Quality of data varies widely
 - Does not reflect development activity since Housing Element
- High-level analysis of impacts of new laws
 - Starting place for local staff to look more closely
- Goals:
 - Help jurisdictions prioritize use of SB 2 planning funds
 - Help jurisdictions understand & communicate paradigm shift for this RHNA

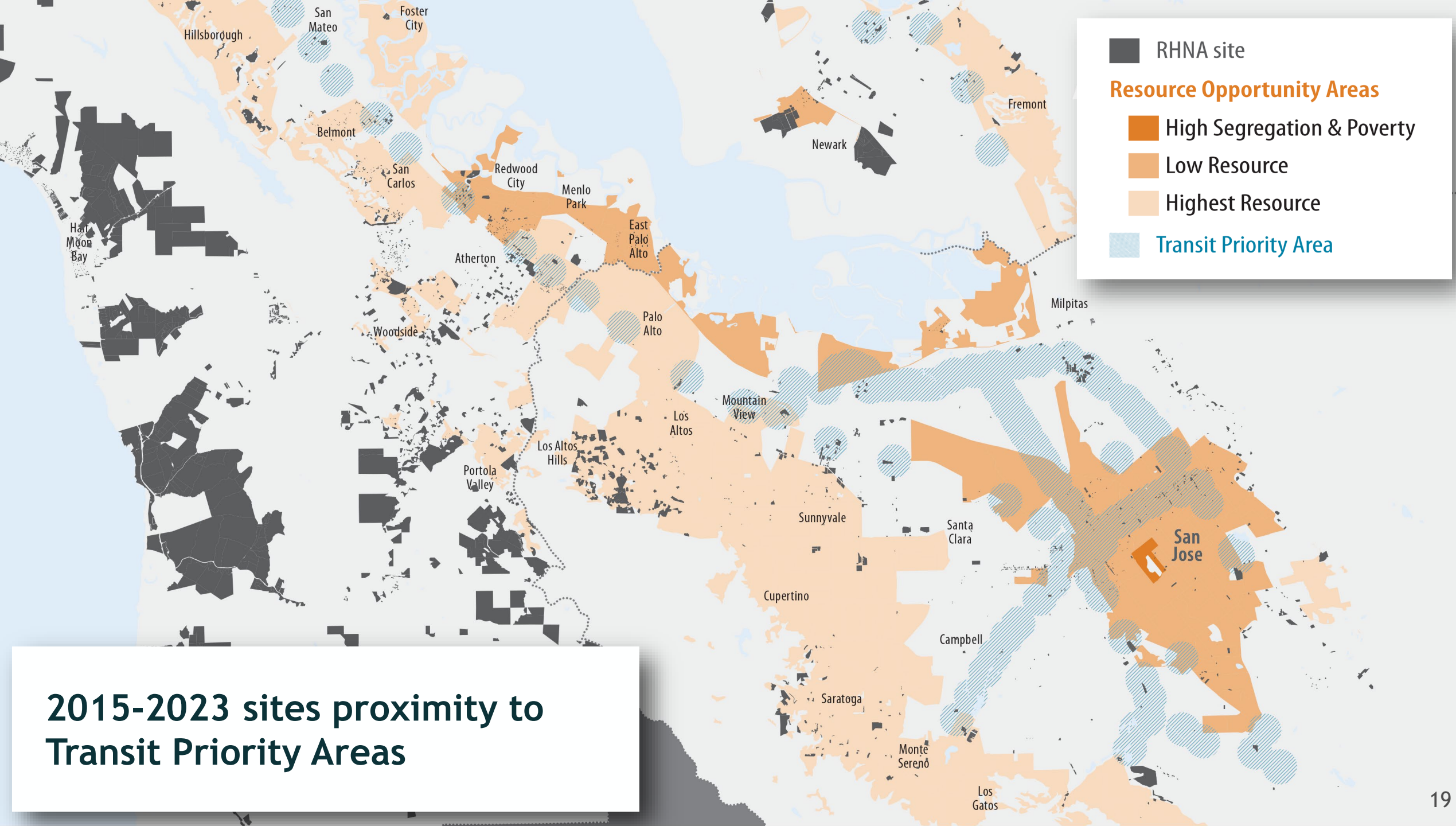








2015-2023 sites that need to be zoned for higher density and “by right” if used for affordable



Bay Area RHNA progress, 1999-2018

RHNA		Permits	Percent of RHNA Permitted				
Cycle	Total Need	Permits Issued	All	Very Low Income	Low Income	Moderate Income	Above Moderate Income
1999-2006	230,743	213,024	92%	44%	79%	38%	153%
2007-2014	214,500	123,098	57%	29%	26%	28%	99%
2015-2023*	187,994	121,973	65%	15%	15%	25%	126%

* Only includes permits issued in 2015-2018

New State funding to assist local jurisdictions

- The 2019-2020 Budget Act included significant, one-time funding to assist local jurisdictions with implementing RHNA, including updating Housing Elements
- **Local Early Action Planning (LEAP) Grants Program**
 - Direct funding to local jurisdictions through population-based formula
 - HCD estimates ~\$25.5 million for Bay Area jurisdictions
- **Regional Early Action Planning (REAP) Grants Program**
 - Funding to ABAG to enhance RHNA process, develop housing technical assistance program, and support efforts to accelerate housing production
 - HCD estimates ~\$24 million allocation to ABAG
 - ABAG is requesting 25% (~\$5.9 million) in first quarter of 2020

What local governments can do now:

- Review housing inventory from previous Housing Element
- Begin identifying sites
 - Sites that need to be rezoned to be reused
 - Prepare for larger RHNA allocation
- Start the rezoning process
- Consider objective design/development standards
- Access available planning funds and technical assistance, including via newly established LEAP and REAP grants programs.
- **Share this new housing context and related land use expectations with the community**

Thank You

For more information contact

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abag.ca.gov/our-work/rhna-regional-housing-needs-allocation