

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC Legislation Committee and ABAG Legislation Committee**

March 13, 2020

Agenda Item 7a

Assembly Bill 725 (Wicks): Middle-Income Housing

Subject: AB 725 (Wicks) aims to facilitate middle-income housing production by requiring at least 25 percent of each metropolitan jurisdiction's share of moderate-income and above moderate-income regional housing need be allocated to sites zoned to allow at least two units of housing, but no more than 35 units per acre of housing.

Background: In 2022, Bay Area cities and counties will be adopting their "6th cycle" housing element, covering the eight years from 2022-2030. Housing elements will be informed by the Bay Area's Regional Housing Needs Allocation (RHNA), a process by which ABAG, working with elected officials, local staff and stakeholders, distributes a share of the region's housing need — as determined by the California Department of Housing and Community Development (HCD) — to each city, town and county in the region. Changes to RHNA law since the "5th cycle" — including SB 828 (Wiener, 2018) and AB 1771 (Bloom, 2018) — are expected to contribute to substantially higher housing allocations than in previous cycles, as witnessed in the Southern California Association of Governments region where the region's 6th cycle allocation jumped more than three-fold from its 5th cycle from 412,137 total units to over 1.3 million units.

Current Relationship Between RHNA and Zoning After local governments have received their final RHNA, housing elements must be revised to include, among other updates, an inventory of sites zoned (or planned to be rezoned) to accommodate their share of the regional housing need, by income. AB 2348 (Mullin, 2004) established density minimums—30 units per acre for metropolitan jurisdictions and 20 units per acre for the Bay Area's suburban jurisdictions—deemed adequate for accommodating low- and very-low income housing. There is no default density minimum for moderate-income and above moderate-income housing sites. According to the HCD, local governments often accommodate 100 percent of their moderate- and above moderate-income housing on low-density sites targeted toward single-family homes.

What Jurisdictions are Defined as Metropolitan? AB 725 would require that at least 25 percent of each "metropolitan" jurisdiction's share of moderate-income and above moderate-income regional housing need be allocated to sites zoned to allow at least two units of housing, but no more than 35 units per acre of housing. In general, state housing element law defines cities and counties with populations larger than 100,000 as metropolitan, as well as cities and counties with between 25,000 and 100,000 in population and located in a metropolitan statistical area of 2 million people or greater. Marin County is the exception pursuant to a specific provision in state law and the county and all of its jurisdictions are defined as suburban. See Attachment A for list of the Bay Area metropolitan and nonmetropolitan—e.g. "suburban"—cities and counties.

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Discussion

California's housing crisis disproportionately affects low-income households, however many families considered middle-income are also struggling to find housing at a price they can afford, particularly in the Bay Area. Those “missing-middle” households have incomes that are too high to qualify for traditional affordable housing, but too low to pay average market-rate rents. This “caught in the middle” situation is the basis for the term “missing middle” for describing such households.

One strategy to reduce the cost of housing is to facilitate the construction of “missing-middle” housing types, such as duplexes, townhomes and fourplexes that accommodate more units per acre than single-family homes (typically 16 units per acre or more), and are inherently more affordable than either single-family homes or mid- to high-rise apartments, which are expensive to build. Missing middle housing types have small- to medium-sized footprints which make them well suited for infill development in neighborhoods with low vehicle-miles-traveled. However much of the land around the state is zoned only for single-family housing. According to a 2018 survey by UC Berkeley’s Turner Center for Housing Innovation, California cities and counties, on average, devote approximately 70 percent of their land for single-family zoning and in two-thirds of jurisdictions, multifamily housing is allowed on less than 25 percent of land.

AB 725’s approach of requiring that medium-density multifamily housing be an allowable use for *a portion* of a city or county’s moderate- and above moderate-income sites, will support more housing options for the Bay Area’s middle-income households while retaining flexibility for cities and counties to reflect local priorities in land use decisions. Given this, staff recommends a “support” position on AB 725.

Recommendation: Support / ABAG Executive Board Approval
Support / MTC Commission Approval

Bill Positions:	Support	Oppose
	California Apartment Association	None
	California League of Conservation Voters	
	California YIMBY	

Attachments: Attachment A: “Metropolitan” and “Suburban” Designations in the Bay Area


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“Metropolitan” and “Suburban” Designations in the Bay Area

Bay Area cities, towns and counties are defined by Government Code Section 65583.2 as either “metropolitan” or “suburban” jurisdictions, depending on whether or not the locality meets certain population thresholds. In general, cities and towns with populations larger than 100,000 are defined as metropolitan, as well as cities and towns with between 25,000 and 100,000 in population and located in a metropolitan statistical area (MSA) of 2 million people or greater. Counties in MSAs with populations of 2 million or above are considered metropolitan. All other Bay Area cities, counties, and towns are defined as suburban. Additionally, state law prescribes that Marin County and all cities located in the county, regardless of the population size, are defined as suburban through December 2028.

The chart below identifies Bay Area designations based on 2018 California Department of Finance (DOF) population estimates. These designations may change following the 2020 United States Census; which will be relevant for the Bay Area’s sixth cycle housing element updates.

Bay Area Cities, Towns and Counties: “Metropolitan” and “Suburban” Designations

Jurisdiction	City/County Population (2018 Estimate)	County Name	MSA Population (2018 Estimate)	Designation
Alameda County	1,669,301	Alameda	4,729,484	Metropolitan
Contra Costa County	1,155,879	Contra Costa	4,729,484	Metropolitan
Marin County	262,879	Marin	4,729,484	Suburban*
Napa County	140,779	Napa	139,417	Suburban
San Francisco City and County	883,869	San Francisco	4,729,484	Metropolitan
San Mateo County	774,485	San Mateo	4,729,484	Metropolitan
Santa Clara County	1,954,286	Santa Clara	1,999,107	Suburban
Solano County	441,307	Solano	446,610	Suburban
Sonoma County	500,675	Sonoma	449,942	Suburban
Alameda	79,316	Alameda	4,729,484	Metropolitan
Albany	19,393	Alameda	4,729,484	Suburban
Berkeley	123,328	Alameda	4,729,484	Metropolitan
Dublin	64,577	Alameda	4,729,484	Metropolitan
Emeryville	11,885	Alameda	4,729,484	Suburban
Fremont	232,532	Alameda	4,729,484	Metropolitan
Hayward	159,433	Alameda	4,729,484	Metropolitan
Livermore	91,039	Alameda	4,729,484	Metropolitan
Newark	48,712	Alameda	4,729,484	Metropolitan
Oakland	432,897	Alameda	4,729,484	Metropolitan
Piedmont	11,420	Alameda	4,729,484	Suburban

Jurisdiction	City/County Population (2018 Estimate)	County Name	MSA Population (2018 Estimate)	Designation
Pleasanton	80,492	Alameda	4,729,484	Metropolitan
San Leandro	89,825	Alameda	4,729,484	Metropolitan
Union City	74,916	Alameda	4,729,484	Metropolitan
Antioch	113,901	Contra Costa	4,729,484	Metropolitan
Brentwood	63,662	Contra Costa	4,729,484	Metropolitan
Clayton	11,653	Contra Costa	4,729,484	Suburban
Concord	129,889	Contra Costa	4,729,484	Metropolitan
Danville	45,270	Contra Costa	4,729,484	Metropolitan
El Cerrito	25,459	Contra Costa	4,729,484	Metropolitan
Hercules	26,224	Contra Costa	4,729,484	Metropolitan
Lafayette	26,327	Contra Costa	4,729,484	Metropolitan
Martinez	38,490	Contra Costa	4,729,484	Metropolitan
Moraga	16,939	Contra Costa	4,729,484	Suburban
Oakley	41,759	Contra Costa	4,729,484	Metropolitan
Orinda	19,475	Contra Costa	4,729,484	Suburban
Pinole	19,498	Contra Costa	4,729,484	Suburban
Pittsburg	72,541	Contra Costa	4,729,484	Metropolitan
Pleasant Hill	35,055	Contra Costa	4,729,484	Metropolitan
Richmond	110,436	Contra Costa	4,729,484	Metropolitan
San Pablo	31,817	Contra Costa	4,729,484	Metropolitan
San Ramon	83,957	Contra Costa	4,729,484	Metropolitan
Walnut Creek	70,121	Contra Costa	4,729,484	Metropolitan
Belvedere	2,148	Marin	4,729,484	Suburban
Corte Madera	10,047	Marin	4,729,484	Suburban
Fairfax	7,721	Marin	4,729,484	Suburban
Larkspur	12,578	Marin	4,729,484	Suburban
Mill Valley	14,675	Marin	4,729,484	Suburban
Novato	54,115	Marin	4,729,484	Suburban*
Ross	2,526	Marin	4,729,484	Suburban
San Anselmo	12,902	Marin	4,729,484	Suburban
San Rafael	60,046	Marin	4,729,484	Suburban*
Sausalito	7,416	Marin	4,729,484	Suburban
Tiburon	9,362	Marin	4,729,484	Suburban

Jurisdiction	City/County Population (2018 Estimate)	County Name	MSA Population (2018 Estimate)	Designation
American Canyon	20,629	Napa	139,417	Suburban
Calistoga	5,453	Napa	139,417	Suburban
Napa	79,490	Napa	139,417	Suburban
St Helena	6,133	Napa	139,417	Suburban
Yountville	2,916	Napa	139,417	Suburban
Atherton	7,070	San Mateo	4,729,484	Suburban
Belmont	27,174	San Mateo	4,729,484	Metropolitan
Brisbane	4,691	San Mateo	4,729,484	Suburban
Burlingame	30,317	San Mateo	4,729,484	Metropolitan
Colma	1,512	San Mateo	4,729,484	Suburban
Daly City	109,122	San Mateo	4,729,484	Metropolitan
East Palo Alto	30,499	San Mateo	4,729,484	Metropolitan
Foster City	33,693	San Mateo	4,729,484	Metropolitan
Half Moon Bay	12,631	San Mateo	4,729,484	Suburban
Hillsborough	11,769	San Mateo	4,729,484	Suburban
Menlo Park	35,790	San Mateo	4,729,484	Metropolitan
Millbrae	23,154	San Mateo	4,729,484	Suburban
Pacifica	38,674	San Mateo	4,729,484	Metropolitan
Portola Valley	4,659	San Mateo	4,729,484	Suburban
Redwood City	85,319	San Mateo	4,729,484	Metropolitan
San Bruno	45,257	San Mateo	4,729,484	Metropolitan
San Carlos	29,864	San Mateo	4,729,484	Metropolitan
San Mateo	104,570	San Mateo	4,729,484	Metropolitan
South San Francisco	67,078	San Mateo	4,729,484	Metropolitan
Woodside	5,615	San Mateo	4,729,484	Suburban
Campbell	43,250	Santa Clara	1,999,107	Suburban
Cupertino	59,879	Santa Clara	1,999,107	Suburban
Gilroy	55,928	Santa Clara	1,999,107	Suburban
Los Altos	31,190	Santa Clara	1,999,107	Suburban
Los Altos Hills	8,785	Santa Clara	1,999,107	Suburban
Los Gatos	30,988	Santa Clara	1,999,107	Suburban
Milpitas	76,231	Santa Clara	1,999,107	Suburban
Monte Sereno	3,787	Santa Clara	1,999,107	Suburban

Jurisdiction	City/County Population (2018 Estimate)	County Name	MSA Population (2018 Estimate)	Designation
Morgan Hill	45,742	Santa Clara	1,999,107	Suburban
Mountain View	81,992	Santa Clara	1,999,107	Suburban
Palo Alto	69,397	Santa Clara	1,999,107	Suburban
San Jose	1,043,058	Santa Clara	1,999,107	Metropolitan
Santa Clara	128,717	Santa Clara	1,999,107	Metropolitan
Saratoga	31,407	Santa Clara	1,999,107	Suburban
Sunnyvale	155,567	Santa Clara	1,999,107	Metropolitan
Benicia	27,570	Solano	446,610	Suburban
Dixon	19,794	Solano	446,610	Suburban
Fairfield	117,149	Solano	446,610	Metropolitan
Rio Vista	9,416	Solano	446,610	Suburban
Suisun City	29,447	Solano	446,610	Suburban
Vacaville	98,807	Solano	446,610	Suburban
Vallejo	119,544	Solano	446,610	Metropolitan
Cloverdale	9,257	Sonoma	504,217	Suburban
Cotati	7,919	Sonoma	504,217	Suburban
Healdsburg	12,501	Sonoma	504,217	Suburban
Petaluma	62,247	Sonoma	504,217	Suburban
Rohnert Park	43,339	Sonoma	504,217	Suburban
Santa Rosa	175,625	Sonoma	504,217	Metropolitan
Sebastopol	7,885	Sonoma	504,217	Suburban
Sonoma	11,556	Sonoma	504,217	Suburban
Windsor	28,565	Sonoma	504,217	Suburban

*Jurisdiction designated as “suburban” through December 2028.