

Association of Bay Area Governments

Housing Methodology Committee

May 14, 2020

Agenda Item 5.a.

RHNA Income Allocation

Subject: Potential Approaches for the Regional Housing Needs Allocation (RHNA) Income Allocation Methodology

Background: The Association of Bay Area Governments (ABAG), with guidance from the Housing Methodology Committee (HMC), must allocate the Regional Housing Needs Determination (RHND) to the cities and counties in the nine-county Bay Area. The RHND is the total number of housing units assigned to a region by the California Department of Housing and Community Development (HCD). HCD also divides a region's RHND across four levels of housing affordability that correspond to different income categories:

- Very Low Income: households earning less than 50 percent of Area Median Income (AMI)
- Low Income: households earning 50 - 80 percent of AMI
- Moderate income: households earning 80 - 120 percent of AMI
- Above Moderate Income: households earning 120 percent or more of AMI

Ultimately, the HMC will need to recommend a RHNA methodology that both assigns a total number of housing units to each Bay Area jurisdiction and distributes each jurisdiction's allocation among the four affordability levels.

Housing Element Law includes the objective that RHNA "[a]llocat[e] 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,"¹ meaning the RHNA methodology will in part be assessed by HCD in terms of how the allocation works to counter-balance existing concentrations of wealth or poverty. The RHNA methodology must also improve coordination between the locations of low-wage jobs and housing affordable to low-wage workers (jobs-housing fit) and affirmatively further fair housing, which will require allocating more lower income units to communities that historically have not provided affordable housing.

In **Attachment A**, ABAG staff presents potential approaches for allocating units by income that are aligned with the statutory objectives of RHNA.

¹ See [California Government Code Section 65584\(d\)](#).

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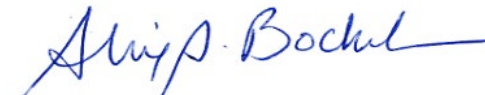
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Issues: None

Recommended Action: Information

Attachment: A. Income Allocation Memo

Reviewed:


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