

# REGIONAL HOUSING NEEDS ALLOCATION



TO: ABAG Executive Board

DATE: May 21, 2020

FR: Executive Director

RE: RHNA Subregion Formation and Subregion Share Methodology

## Overview

Housing Element Law allows two or more jurisdictions to form a "subregion" to conduct a parallel RHNA process to allocate the subregion's housing needs among its members.<sup>1</sup> The subregion process allows for greater collaboration among jurisdictions, potentially enabling RHNA allocations that are more tailored to the local context as well as greater coordination of local housing policy implementation.

Jurisdictions that form a subregion accept responsibility for meeting all statutory requirements for RHNA, including fully allocating the subregion's total housing needs, developing an allocation methodology for the subregion that is reviewed by HCD, releasing a draft housing allocation by income using the subregion's adopted allocation methodology, addressing any appeals of the subregion's draft allocation, preparing and approving the subregion's final allocation and conducting the required public hearings. Housing Element Law requires the RHNA allocation, including the allocations made by subregions, to be consistent with the development pattern in Plan Bay Area 2050.<sup>2</sup>

## Subregion Formation

The deadline for jurisdictions to form a subregion was February 1, 2020. Local governments who wished to form a subregion were required to adopt a resolution confirming their participation in the subregion.

ABAG has received notification of formation of two subregions:

1. **Napa County:** includes City of American Canyon, City of Napa, Town of Yountville, and the County of Napa (*does not include City of Calistoga or City of St. Helena*)
2. **Solano County:** includes City of Benicia, City of Dixon, City of Fairfield, City of Rio Vista, City of Suisun City, City of Vacaville, City of Vallejo, and County of Solano

ABAG will enter into a delegation agreement with each subregion formally assigning the authority for completing the RHNA process from ABAG to the subregion.

## Determining a Subregion's Share of Total Housing Needs

The California Department of Housing and Community Development (HCD) is responsible for identifying the total number of housing units for which the Bay Area must plan for the eight-year RHNA cycle, from 2023 to 2031. Each subregion then receives a share of the region's total housing needs from ABAG and must allocate a portion to each participating jurisdiction.

<sup>1</sup> See State of California [Government Code Section 65584.03](#).

<sup>2</sup> See State of California [Government Code Section 65584.04\(m\)\(3\)](#).

The legal requirement for how ABAG allocates a share of the region's total housing needs to each subregion remains unchanged from the last RHNA cycle. Housing Element Law states:

*"The share or shares allocated to a delegate subregion or subregions by a council of governments shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan."*<sup>3</sup>

Consultation with ABAG's RHNA legal team determined that ABAG has flexibility in how it defines the requirement for consistency with the distribution of households from Plan Bay Area 2050. To meet this statutory requirement, ABAG staff recommends that the total housing needs assigned to each subregion be based on the sum of the default allocations, by income category, from the ABAG RHNA methodology for each jurisdiction who is a member of the subregion. Using ABAG's RHNA methodology as the input into the subregion shares ensures that every jurisdiction that is a member of a subregion receives the same allocation it would have received if it were not part of a subregion. This approach ensures that formation of a subregion does not confer any harm or benefit to member jurisdictions or to other jurisdictions in the region.

### **Changes to Subregion Membership**

Consistent with ABAG's approach for previous RHNA cycles, the proposed delegation agreement allows for a jurisdiction to withdraw from participation in the subregion without causing the dissolution of the entire subregion. If a jurisdiction withdraws from the subregion, the subregion's share of housing needs will be reduced by the number of units the withdrawing jurisdiction would receive from the most current version of ABAG's methodology available at the time when the jurisdiction decides to withdraw. The withdrawing member will then become part of the region's RHNA process, and it would receive its allocation based on the methodology adopted by ABAG.

### **Next Steps**

Based on the recently revised RHNA schedule, the draft and final subregion shares will be based on the allocations from the proposed RHNA methodology. The draft subregion shares are anticipated to be released in fall 2020, followed by a public hearing, as required by Housing Element Law. The final subregion shares are slated to be adopted in December 2020.

### **Recommendation**

Staff respectfully requests that the ABAG Executive Board adopt resolution No. 07-2020 to authorize staff to negotiate and enter into a delegation agreement with the subregions in Napa County and Solano County and approve the proposed methodology for allocating a share of total housing need to each subregion.

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<sup>3</sup> See State of California [Government Code Section 65584.03\(c\)](#).