Association of Bay Area Governments

Housing Methodology Committee

June 19, 2020 **Agenda Item 5.a.**

RHNA Income Allocation

Subject: Further Discussion of 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) from the State to the cities and counties in the nine-county Bay Area. 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 requires 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 for 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.

At the May HMC meeting, staff presented several possible methodologies for allocating units by income that are aligned with the statutory objectives of RHNA. In Attachment A, staff provided additional detail and clarity about the Income Shift and Bottom-Up income distribution approaches, which received the most support from HMC members in May.

Issues: None

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

Association of Bay Area Governments

Housing Methodology Committee

June 19, 2020 **Agenda Item 5.a.**

RHNA Income Allocation

Recommended Action: Information

Attachment: A. Income Allocation Memo

Reviewed: Alix Bockelman