Planning for the Bay Area's Future:

Plan Bay Area 2050, Regional Housing Needs Allocation (RHNA), and Regional Early Action Planning (REAP)

June 2020 Elected Officials Briefing
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What is **Plan Bay Area 2050**?

- Plan Bay Area 2050 is the long-range regional plan for transportation, housing, the economy, and the environment.

What is **RHNA**?

- RHNA is an allocation process that occurs every eight years, as required by California law, which requires cities and counties to plan for housing.

What is **REAP**?

- REAP is a new state funding program to help support jurisdictions and the region plan for more housing at all income levels.

Housing is a central nexus of all three initiatives.

Plan Bay Area 2050 develops a long-range vision for the region's growth pattern through 2050, driven by strategies on the local, regional, and state levels.

RHNA generates allocations for each local jurisdictions in alignment with statutory requirements, followed by updates to Housing Elements on the city level to enable additional housing growth.

REAP provides critical funding to help local partners update their Housing Elements and otherwise enable more housing at all income levels, in alignment with Plan Bay Area 2050.

PLAN BAY AREA 2050

Overview of Plan Bay Area 2050

Crafting the Vision for the Region's Future

What is **Plan Bay Area**?

- The regional plan is **a blueprint for growth and infrastructure for the next 30 years.**

- The regional plan is **updated every four years**, with this major update due in 2021.

- The regional plan is a reflection of **the shared priorities of the diverse nine-county San Francisco Bay Area.**

- The regional plan is **fiscally-constrained**, even as it aspires to tackle the Bay Area's big challenges with specific strategies.

- The regional plan is **not an expenditure plan**; it is focused on setting priorities and over the long term and looking holistically across "silos".

Meets federal & state requirements

Identifies local and regional strategies

Establishes a long-range regional vision across multiple topic areas

PLAN BAY AREA 2050

What are the key statutory connections between Plan Bay Area 2050 and RHNA?

RHNA must be consistent with the development pattern from the Plan[1].

- **Housing Element Law does not provide a definition of consistency or specific guidance about how it should be achieved.** Historically, MTC/ABAG has interpreted the consistency requirement to mean that the eight-year RHNA housing allocation for a given jurisdiction should not exceed the 30-year Plan housing forecast for the same jurisdiction.

Subregional shares must be generated based on the Plan[2].

- **For any designated subregions, the share of the RHND allocated to that subregion must be generally based solely on the long-range plan**, as opposed to other factors that may be integrated into the methodology.

Key assumptions from the Plan's Regional Growth Forecast should be provided to the state during the RHND consultation process[3].

- **However, the state is not required to integrate Council of Governments input on population growth estimates** unless that total regional population forecast for the projection year is within ±1.5 percent of the state's own forecast for the Bay Area.

1. *California Government Code 65584.04(m)*
2. *California Government Code 65584.03(c)*
3. *California Government Code 65584.01(a)*

PLAN BAY AREA 2050

The **Plan Bay Area 2050 Blueprint** integrates resilient & equitable strategies that advance the Plan Vision.

Vision: Ensure by the year 2050 that the Bay Area is affordable, connected, diverse, healthy and vibrant for all.

- **Transportation** Strategies

- **Housing** Geographies & Strategies

- **Economic** Geographies & Strategies

- **Environmental** Strategies

PLAN BAY AREA 2050

Bold Strategies for a More *Affordable* Bay Area

Reduce the region's extreme cost of living by enabling over a million new homes near public transit

Strategies include:
- Allow a Greater Mix of Housing Types and Densities in Growth Areas
- Reduce Barriers to Housing Near Transit and in Areas of High Opportunity

Produce and preserve much-needed affordable housing through public, non-profit, and private sector action

Strategies include:
- Fund Affordable Housing Protection, Preservation, and Production
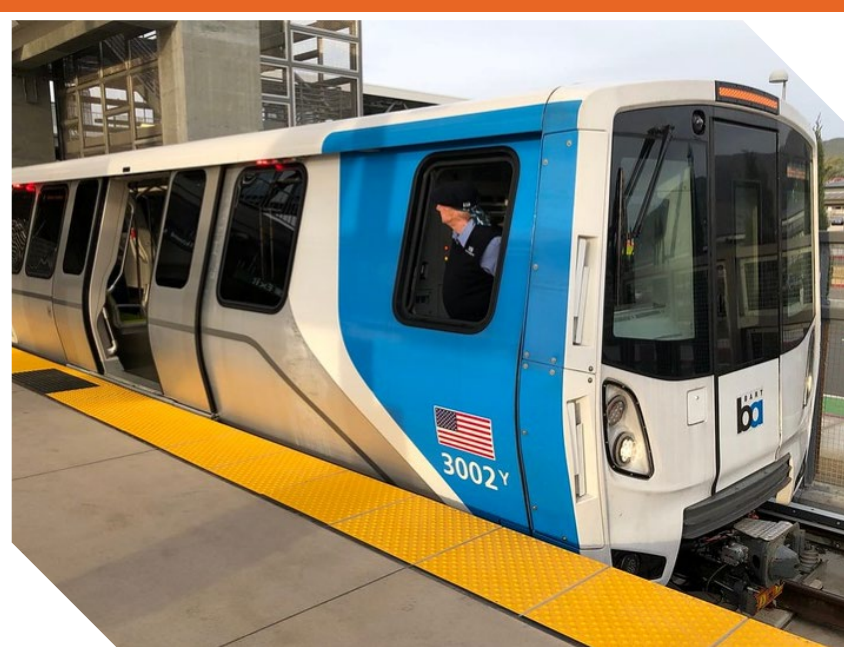- Require 10 to 20 Percent of New Housing to be Affordable

Provide robust discounts for low-income residents both for tolls and transit fares

Strategies include:
- Reform Regional Transit Fare Policy
- Implement Per-Mile Tolling on Congested Freeways with Transit Alternatives
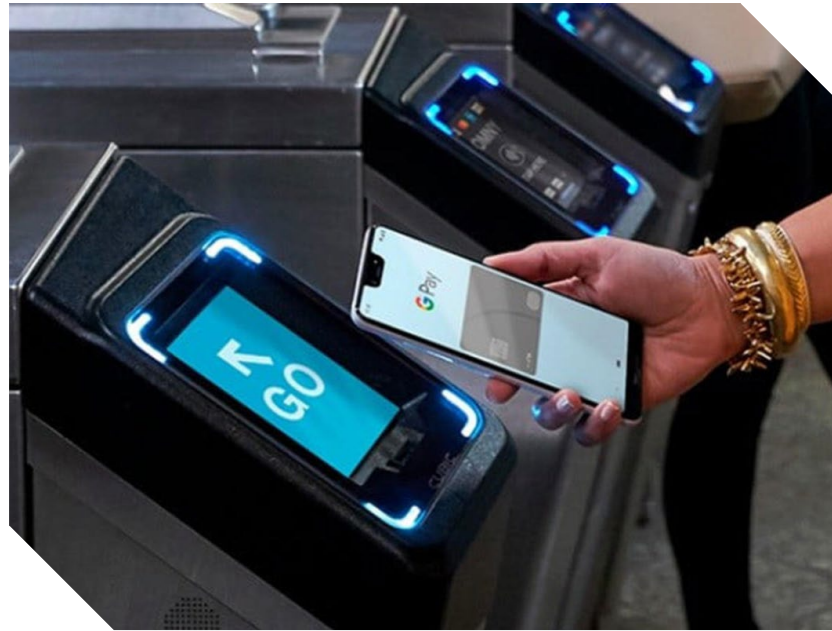
Bold Strategies for a More _Connected_ Bay Area

Create a world-class public transportation system, emphasizing maintenance and ridership as critical twin goals

Strategies include:
- Operate and Maintain the Existing System
- Advance Low-Cost Transit Projects
- Build a New Transbay Crossing

Standardize transit fares across the region and advance seamless mobility through unified trip planning & payment

Strategies include:
- Reform Regional Fare Policy
- Enable Seamless Mobility with Unified Trip Planning and Fare Payments

Permanently reduce traffic congestion through a proven approach of pricing select corridors

Strategies include:
- Implement Per-Mile Tolling on Congested Freeways with Transit Alternatives

Bold Strategies for a More *Diverse* Bay Area

Protect renters from being displaced to the region's periphery and beyond

Tackle racial inequities by enabling more housing in historically-exclusionary places

Create opportunities to grow the middle class through business incubators and childcare programs

Strategies include:
- Further Strengthen Renter Protections Beyond State Legislation

Strategies include:
- Allow a Greater Mix of Housing Types and Densities in Growth Areas
- Reduce Barriers to Housing Near Transit and in Areas of High Opportunity

Strategies include:
- Expand Childcare Support for Low-Income Families
- Create Incubator Programs in Economically-Challenged Areas

Bold Strategies for a _Healthier_ Bay Area

Eliminate traffic deaths by making streets safer for all roadway users

Protect tens of thousands of Bay Area homes from rising sea levels and from potential earthquake damage

Ensure the region's greenbelt remains protected for future generations

Strategies include:
- Advance Regional Vision Zero Policy through Street Design and Reduced Speeds
- Build a Complete Streets Network

Strategies include:
- Adapt to Sea Level Rise
- Modernize Existing Building with Seismic, Wildfire, Drought, and Energy Retrofits

Strategies include:
- Maintain Urban Growth Boundaries
- Protect High-Value Conservation Lands

Bold Strategies for a More _Vibrant_ Bay Area

Encourage more job growth in housing-rich areas through strategic regional impact fees

Strategies include:
- Assess Transportation Impact Fees on New Office Developments
- Assess Jobs-Housing Imbalance Fees on New Office Developments

Preserve critical industrial lands and work to catalyze job growth in these locations

Strategies include:
- Retain Key Industrial Lands through Establishment of Priority Production Areas
- Create Incubator Programs in Economically-Challenged Areas

Convert aging 20th century malls and office parks into vibrant mixed-use destinations for the 21st century

Strategies include:
- Transform Aging Malls and Office Parks into Neighborhoods

Regional Housing Need Allocation (RHNA) Update

Webinar
June 25, 2020

What is RHNA?

- **Since 1969, State law requires that all jurisdictions must plan to meet the housing needs of everyone in the community.**

- **HCD** identifies total number of units, across all income groups, for which the region must plan for the eight-year RHNA period (2023 to 2031).

- **ABAG** collaborates with local governments and stakeholders to develop a formula to assign each community a share of the Bay Area's housing need.

- **Each local government** must update Housing Element of General Plan and zoning to show how it plans to accommodate its share of the regional need.

Association of Bay Area Governments

What are the statutory objectives of RHNA?

Increase housing supply and mix of housing types, tenure, and affordability in all cities and counties in an equitable manner

Promote infill development and socioeconomic equity, protect environmental and agricultural resources, encourage efficient development patterns, and achieve GHG reduction targets

Promote improved intraregional jobs-housing relationship, including balance between low-wage jobs and affordable housing

Balance disproportionate household income distributions (more high-income RHNA to lower-income areas and vice-versa)

Affirmatively further fair housing

What's new for this RHNA cycle?

Greater emphasis on social equity

Higher total regional housing need

Expanded HCD oversight on methodology & allocations

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

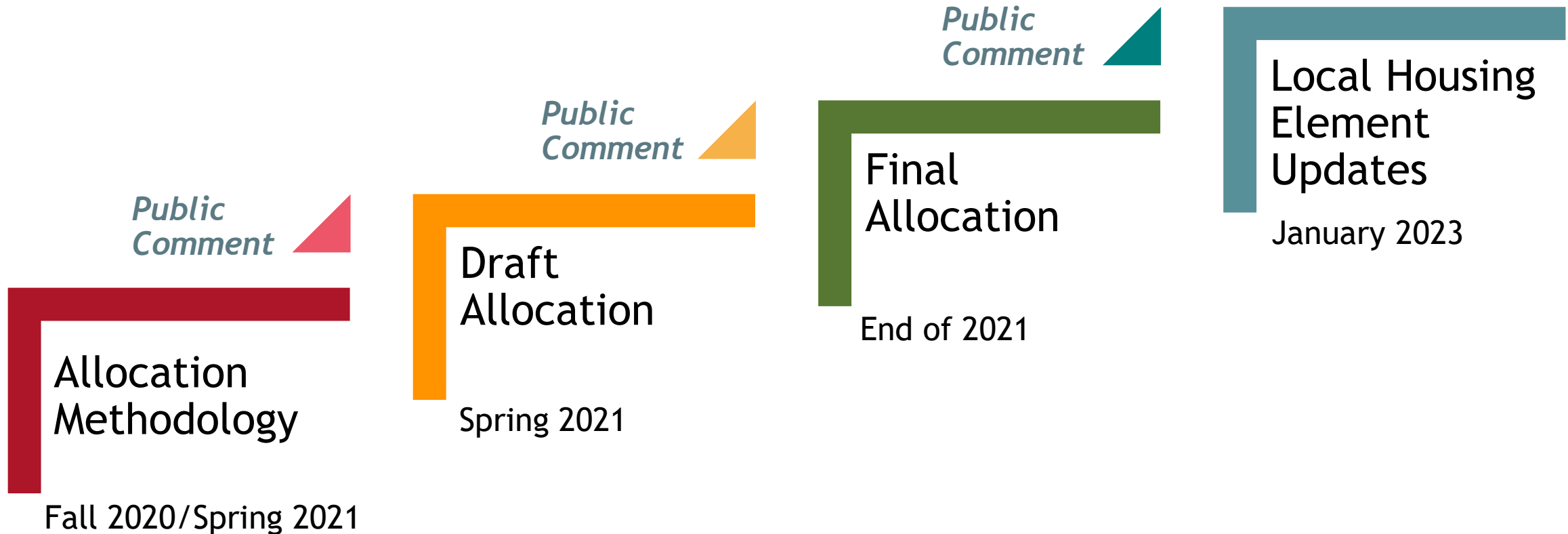New requirements for identifying eligible sites for Housing Elements

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%
2023-2031**	441,176	TBD	**TBD**	TBD	TBD	TBD	TBD

Only includes permits issued in 2015-2018
***Recently issued by HCD*

What are the primary steps in the process?

Public Comment

Allocation Methodology

Fall 2020/Spring 2021

Public Comment

Draft Allocation

Spring 2021

Public Comment

Final Allocation

End of 2021

Local Housing Element Updates

January 2023

PUBLIC COMMENT OPPORTUNITIES THROUGHOUT

Role of Housing Methodology Committee

- 37-member committee of local elected officials and staff from every county as well as stakeholders representing diverse perspectives

- Advises ABAG on numerical formula to assign a share of region's housing need to every Bay Area jurisdiction; Must fully allocate the total housing need by income

Working Group

Housing Methodology Committee (HMC)

Provides monthly input to staff.

Committee

ABAG Regional Planning Committee

Receives regular updates from HMC and makes recommendations to the Board, generally meets bi-monthly.

Board

ABAG Executive Board

Takes action on RHNA at legally-required key points in the process.

Understanding a RHNA methodology

- **Region's total housing need**: HCD's determination of number of housing units, by income, for which Bay Area must plan

- **Methodology**: formula made up of factors and weights related to topics that must meet statutory requirements

  - Identifies total allocation as well as distribution of units among income categories

- **Allocation**: result of applying methodology to region's total housing need

  - A share of the region's housing need to each jurisdiction

  - Jurisdiction receives total number of units by income

HMC discussions

- Understanding new equity framework

- Local Jurisdiction Survey: housing and land use/fair housing

- Consideration of potential factors to include in the methodology and income allocation approaches

- Potential factors related to: **fair housing/equity; jobs/jobs-housing fit; transportation; natural hazards;** online tool available to explore RHNA methodology options (https://rhna-factors.mtcanalytics.org/)

- July 2020: Discussion about using Plan Bay Area 2050 Blueprint in the methodology

What we have heard from the HMC

1. More housing should go to jurisdictions with more jobs than housing and to communities exhibiting racial and economic exclusion

2. The methodology should focus on:

    *   Equity, as represented by High Opportunity Areas (weighted 30-60% in March options)

    *   Relationship between housing and jobs (weighted 20-60% in March options); however, no consensus on specific factor

3. Equity factors need to be part of total allocation, not just income allocation

4. Do not limit allocations based on past RHNA

5. Housing in high hazard areas is a concern, but RHNA may not be the best tool to address

Engagement with Stakeholders & the Public

Stakeholder Meetings *(HMC, etc.)*

Meetings with Local Officials & Staff + Assistance with Housing Elements

Summer 2020 Virtual Open Houses

Media Outreach + Web

RHNA Timeline

Milestone	Revised Deadline
HCD Regional Housing Need Determination	Summer 2020
Plan Bay Area 2050 Draft Blueprint	July 2020
Proposed RHNA methodology, draft subregion shares	Fall 2020
Plan Bay Area 2050 Final Blueprint	December 2020
Final subregion shares	December 2020
Draft RHNA methodology to HCD for review	Winter 2021
Final RHNA methodology, draft allocation	Spring 2021
RHNA appeals	Summer 2021
Final Plan Bay Area 2050	September 2021
Final RHNA allocation	End of 2021
Housing Element due date	January 2023

By statute, the Housing Element due date cannot be extended beyond January 2023
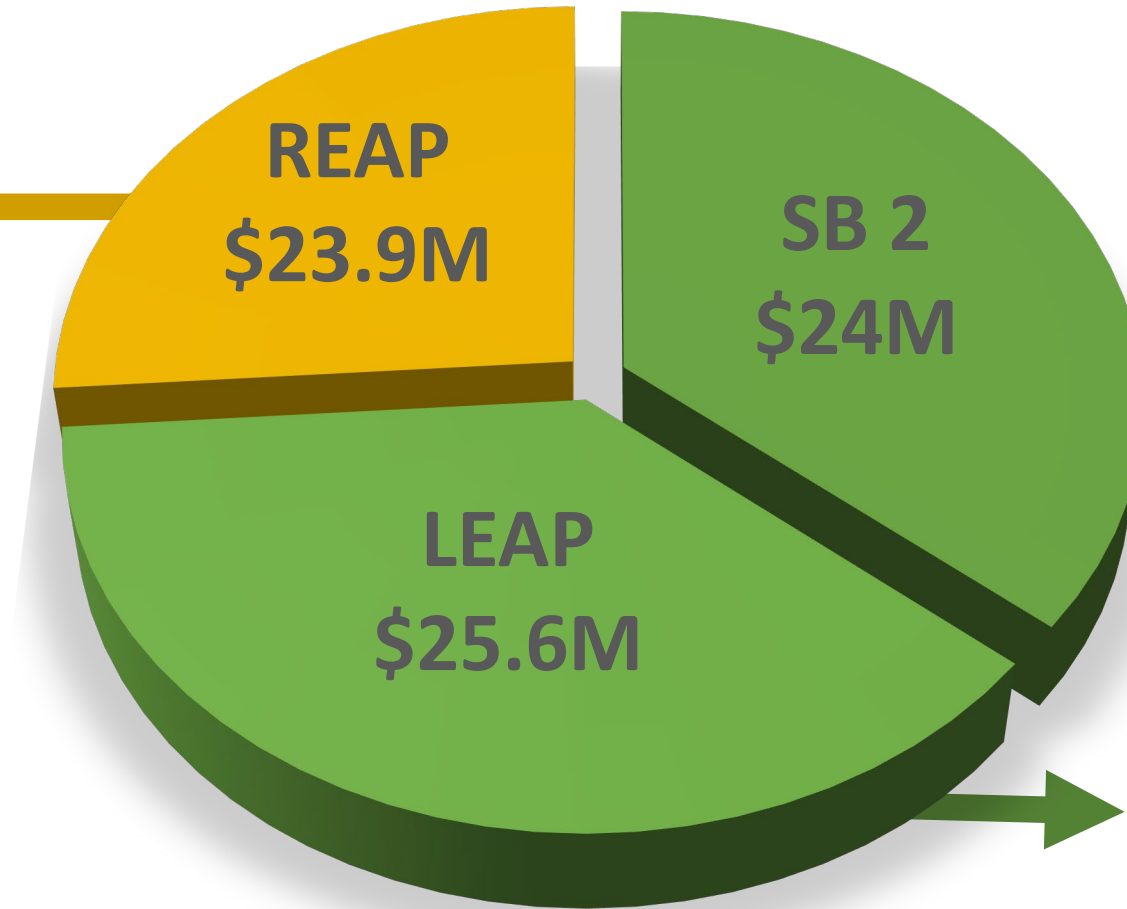
Dates are tentative and subject to change

Regional Early Action Planning Grants (REAP)

State Funding to the Bay Area to plan for housing

PLANNING GRANTS

REAP

Funding to Regional Government

REAP $23.9M

SB 2 $24M

LEAP $25.6M

Direct Funding to Local Jurisdictions

REAP Purpose per HCD

"This program allows councils of governments (COGs) and other regional entities to collaborate on projects that have a broader regional impact on housing. Grant funding is intended to help regional entities and governments facilitate local housing production that will assist local governments in meeting their Regional Housing Need Allocation (RHNA)."

Framework for REAP Program

Collaborative & Cohort-Based Approach

- Knowledge sharing on policies and best practices, site analysis and strategies, funding, etc.
- Tailored for variety of contexts

Regional Consultant Pool

- Economies of scale
- Reduced administrative burden on local staff
- Flexibility to craft locally-appropriate policies and programs

Regional Coordination with HCD

- Template Documents
- Data Packets
- Pre-Approved Site Feasibility Analysis?

Housing Leadership Development & Community Engagement

- Data-Driven Messaging
- Outreach and Education
- Focus Groups and Listening Sessions

Next Steps:

➢ Hire Master Consultant

➢ Issue RFQ for Regional Consulting Bench

➢ HCD & ABAG webinar on SB2/LEAP/REAP

➢ Release beta version of site selection tool

➢ Apply to HCD for $18M balance

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Questions?