



MEMO

To: RHNA HMC Team
From: Civic Edge Consulting
Date: June 26, 2020
RE: June 19, 2020 HMC Meeting #7 Notes



Meeting Info

Housing Methodology Committee (HMC) Meeting #7
Friday, June 19, 2020
Zoom Conference Webinar
[Recording Available Here](#)

Meeting Notes by Agenda Item

1. Call to Order / Roll Call / Confirm Quorum – Jesse Arreguín, Fred Castro

2. Public Comment on Items not on Agenda

- **Aaron Eckhouse, Regional Organizing Director for California YIMBY:** Asked whether the committee planned to address the Regional Housing Needs Determination (RHND) received from the California Department of Housing and Community Development (HCD). Noted that numerous people joined the ABAG Executive Meeting the evening prior to this HMC meeting to express their responses to the determination and that many felt the number was not adequate to address the scale of the Bay Area's housing needs. Additionally, acknowledged that the assumptions used to arrive at the concluding determination do not align with the population assumptions of Plan Bay Area. Discussed that they perceived the methodology used in the determination, which accepted a higher cost burden in the Bay Area relative to the rest of the country, was flawed. Concluded by stating they felt the HMC should push for a higher housing determination from HCD.

3. Chair's Report – Jesse Arreguín

- **Arreguín:** Addressed the public comment from Eckhouse, noting that on June 9, the ABAG Executive Board received a letter from HCD informing the board that the minimum RHND is 441,176 total units which ABAG must allocate among the four income categories and jurisdictions. Several speakers at the ABAG Executive Board meeting requested the board appeal the decision, but they did not act; therefore, the determination submitted by HCD stands.

- **Victoria Fierce:** Voiced agreement with Eckhouse's comment. Acknowledged that they, too, felt the number allocated by HCD was flawed and encouraged staff to appeal and push back on the number allocated, as the deadline to appeal is July 10. Raised concerns that the RHND number aims for a non-zero number of individuals who are rent burdened or crowded into homes.
- **Arreguín:** Reiterated that the HMC cannot act on this issue, only the ABAG Executive Board can. Noted this item was on the agenda for the ABAG executive board meeting, but there was no motion to appeal the determination. Offered an opportunity for input, but there were no raised hands.
- Minutes from last meeting approved

4. Consent Calendar

Zoom Comments prior to Item 5:

- **Victoria Fierce:** thx
- **Fierce:** updated my zoom yesterday and took a minute to find where they hid the raise hand button.
- **Elise Semonian:** When will we be using the voting method we discussed at the beginning of this process?
- **Bob Planthold:** YES to approve consent calendar for May minutes.
- **Paisley Strellis:** Great question Elise - we'll be reviewing the modified consensus process (as updated for Zoom) as part of Agenda Item 5
- **Semonian:** Thanks
- **Josh Abrams:** I am not sure I totally understood. Did the window for ABAG Ex Board to appeal HCD's determination pass? (e.g. is it final final).
- **Fierce:** It must be appealed by July 10th. the window did not close.

5. Income Allocation: Further Discussion of the Regional Housing Needs Allocation (RHNA) Income Allocation Methodology – *Gillian Adams (Information Item)*

- **Adams:** Introduced and presented the item. They acknowledged that feedback was heard, and impacted the process moving forward with the Blueprint for RHNA methodology.

HMC Members – Clarifying Questions

- **Matt Regan:** Noted that the question of economic feasibility was central to the determination that HMC is making. Asked whether there would be an economic feasibility study conducted to determine where affordable housing is possible to be built and what provided the most economic efficiency. Stated a strong desire for that conversation to take place.
 - **Adams:** Stated that Plan Bay Area (PBA) forecast is a place where questions of economic feasibility have been considered. A challenging factor of the RHNA process is that it does not allow for limiting allocations based on local planning or local zoning. This makes it hard to take these questions into account with this methodology. If the committee decides to use the PBA



Blueprint which will be discussed at the next meeting, the economic feasibility can be factored in there.

- **James Pappas:** Raised concerns around the perceived tradeoff between market rate and affordable housing in the methodology. Asked whether using the bottom-up approach in areas with high income and high job proximity could result in that area receiving a larger allocation overall, not a larger allocation of either market rate or affordable housing. Asked Adams to clarify whether there was a cap on the amount that a jurisdiction's total allocation could change. Emphasized a desire to address fair housing concerns.
 - **Adams:** Explained that if any jurisdiction got more market rate and more affordable housing, then another jurisdiction would get less of both. Noted the desire to strike a balance between achieving committee's goals, while working with a finite number of units to assign. Additionally, noted that the committee must address and decide whether the RHNA allocations are consistent with PBA. There would potentially be a situation where the RHNA methodology does not align with the expectations of PBA with too many allocations.
 - **Pappas:** Asked whether PBA forces a certain allocation to each city.
 - **Adams:** Stated that PBA did not force the allocation, rather they need to show that the allocations are consistent across both RHNA and PBA. Thus, there is an "upper limit" on what can be allocated to a particular jurisdiction.
 - **Pappas:** Stated that cities with fewer low-income households also tend to have greater job access and would be places to allocate low income households. Went on to say that these areas also have higher housing costs and would get a larger allocation overall.
 - **Adams:** Agreed and stated that this was part of finding a balance.
- **Pappas:** Asked whether it was possible to combine the bottom up approach with the income shift approach on the lower end of the income spectrum. Noted that this would help address the requirements for statutory fair housing.
 - **Adams:** Responded that there was no way to combine the two methodological approaches. The answer would be determined by the factors chosen when defining the approach. To address the fair housing requirements, the committee should choose factors that direct more affordable units to higher income places. The challenge would be the income shift, because a jurisdiction would have a total number of units allocated by the determined factors. If a higher share of those were to be lower income units, then the share of market rate for that jurisdiction is lower. This is where the either-or choice comes into play for methodology. This also impacts other jurisdictions because if that higher income jurisdiction is using up more lower income units, then there are less lower income units available for other jurisdictions.
 - **Pappas:** Clarified that the income shift is about proportions, whereas the bottom-up approach is about the amount.
 - **Adams:** Stated that Pappas was correct. On the income shift, the total amount is set first, then the proportion of market rate versus affordable is



determined within that total. Bottom up allows you to stack them together to get to a total.

- **Michael Brilliot:** Asked Adams about Figure 7 in the memo. Noted that the total number of housing units was less in the Bottom-Up 3-Factor than in the Bottom-Up 2-Factor.
 - **Adams:** Stated that yes, for these three example cities in Figure 7, the numbers for the Bottom-Up 3-Factor were smaller. Clarified that Figure 7 did not show all jurisdictions in the region. The results for the factors that were chosen resulted in different allocations between Bottom-Up 2-Factor and Bottom-Up 3-Factor. The rest of the region's housing need went to jurisdictions not shown in this figure.
 - **Brilliot:** Stated that this made it seem as though transit added an unintended consequence.
- **Aarti Shrivastava:** Asked to clarify how the Bottom-Up approach connects with the three allocation methodologies discussed in the April and May meetings. Noted that it seemed as though the HMC identified equity, jobs, and transit as major factors which should continue to be used in the methodology, which are considered in the income shift approach.
 - **Adams:** Stated that the two approaches are independent of one another. If the committee were to decide to move forward with the Bottom-Up approach, this would mean the 3 options discussed in March no longer applied. Noted that the factors are still used in the Bottom-Up approach but are being used differently. The jobs-housing fit and high opportunity areas were incorporated into the Bottom-Up approach, but are used for each separate income category, which are then added up to get to a different total. Staff heard the desire from HMC for a different approach. Additionally, noted that the committee must decide between using the three March methodology options or something similar to use factors to come up with a jurisdiction's total. Then, the income shift would be used to adjust the proportions within the total. Essentially, the committee must decide between either the Income Shift or Bottom-Up approach.
 - **Shrivastava:** Clarified that in the Bottom-Up 2-Factor, transit does not play a strong role, but in the Bottom-Up 3-Factor there is a specific weight assigned to areas with transit.
 - **Adams:** Stated that this was correct and depending on which approach the committee decides to go with, those choices about what factors to choose and what weights to give them are part of the discussion in the Bottom-Up approach. These factors may need to be adjusted depending on the discussion of PBA Blueprint and its impacts.
- **Fernando Martí:** Asked staff to clarify whether the committee could look at the current performance of cities towards meeting their RHNA goals. Stated that some are performing well, and some are under performing in various income levels.
 - **Adams:** Stated that the statute does not allow this.

- **Martí:** Asked why in the analysis low-income and very low-income housing were labeled as “Affordable Housing”, while moderate and market rate housing were labeled as “Market Rate.”
 - **Adams:** Stated that staff chose to combine these income groups to simplify the methodology for allocating by income group, so that there were not four different income categories to delineate. Continued that unless there is a strong sentiment from the committee regarding the nuances between allocating moderate and above moderate housing, they would be combined into the two groups. If there was a strong sense that moderate needed to go to a different place than above moderate, staff would separate them. Generally, if the committee wants to allocate them using the same factors, it makes sense to combine the four income groups into two distinct buckets, thereby creating something less complex.
- **Martí:** Stated that they found it difficult to understand the tables presented without examples of what is specifically being talked about and that they would prefer specific examples. Stated that they would like examples of those cities to help picture what this looks like. Asked to clarify whether for high income cities and cities that fit the regional profile the Bottom-Up factors result in overall less allocation, while disproportionately low-income cities receive an overall greater allocation of housing. Noted that this seems different from previous conversations.
 - **Adams:** Stated that it was too hard to have results for all 109 jurisdictions. Noted that the online tool now has all options. Committee members can plug in information to generate a chart and table to show what happens to each jurisdiction. All factors play a role in the results. In the options that were selected for City A and City C, the results show lower allocations from the Bottom-Up approach than for City B, which is the disproportionately lower income jurisdiction. It is possible this is a result of the factors that were chosen, but more likely is tied to the fact that with the Bottom-Up approach, it is harder to predict an area’s allocation.
- **Martí:** Asked staff to clarify that on slide 11, the low-income allocation would be lower in cities like San Francisco, Oakland, Richmond, and East Palo Alto, and much higher in Marin; whereas on slide 12, cities like San Francisco, Oakland, Richmond and East Palo Alto, in any category get a lot more high income housing; and the cities within Marin County seem to get a pass on above moderate allocation.
 - **Adams:** Stated that the maps on those slides show the different results using different approaches. For example, at 125% income shift, there are not any areas that have a particularly high allocation of low-income units. As the shift changes, the distribution of the income allocation changes. This ties into the question of balance in that all approaches end up with slightly different results.
- **Jeff Levin:** Stated that they share concerns about moderate income that Martí raised but noted that moderate is only 15% of the region’s total housing need. Stated that at the last meeting, there was a lot of time spent looking at metrics that assessed the performance of RHNA methodologies and asked whether any analysis had been



done using those metrics. Further stated that it would be difficult to choose between methodologies in the absence of being able to understand the assessment criteria.

- **Adams:** Stated that staff chose not to bring the metrics back to this meeting to help keep conversation simpler but can bring metrics back to next meeting. As staff update the online tool, that will be part of the update. The metric results can be part of the discussion as committee members explore using the tool.
- **Levin:** Reiterated that they would like to look at metrics before deciding on methodology.
- **Pat Eklund:** Asked Adams to identify what changes were made to the memo the morning of the meeting.
 - **Adams:** Stated that on the chart that depicts the results for the three cities (Figure 7), the labels for the graph showing the results for City B are inaccurate, but the chart is the same.
- *Ended discussion by polling HMC Members. Responses summarized in [Appendix I](#).*

Discussion of Poll Results

- **Ranelletti:** Stated that they find the income shift approach interesting because it assigns a lot of affordable housing with a high shift to high income areas, which furthers fair housing. But it is problematic that it assigns a lot of market rate units to lower income areas, which exacerbates displacement. Asked whether they methodology allows for a different shift by income level.
 - **Aksel Olsen:** Stated that in theory, it may be possible, but makes the math and computation much more challenging, since the numbers still must add up to the regional totals. Noted that staff could explore this idea, but it would complicate the calculation further.
- **Jane Riley:** Stated that they were concerned the slide that depicted the Bottom-Up approach showed that in the North Bay there was a larger share of units in unincorporated areas versus incorporated areas. Noted that in the South Bay, the opposite was true. Asked staff to clarify why this was.
 - **Adams:** Stated that this is one concern that using PBA might resolve. Should the methodology use current PBA forecasts, it would likely show less growth in unincorporated areas. This is something staff has considered.
 - **Olsen:** Noted a point about high opportunity areas that showed up relatively more in some unincorporated areas and that staff have tried to address this and tone down its effects. But there is still some pull to unincorporated areas that shows up in the Bottom-Up approach. Additionally, stated that this would be present in the total allocation as well, not that it impacts one over the other. This impacts the geography of the growth and is something that staff will try to address.
 - **Riley:** Stated that they would not like to commit to either the factors or the income shift until this information is built into the model.
 - **Olsen:** Stated that there could be many different versions of the Bottom-Up factors which would present different results. This will be part of the



- exploration for different factors and weights going forward, should the committee choose to go with the Bottom-Up approach.
- **Kaplan:** Clarified that the map that Riley was referring to shows the percent of a jurisdiction's allocation in a certain income category. The maps are not showing percent growth. The darker colors on this map do not mean more total units being sent to those areas.
 - **Riley:** Stated that expecting unincorporated areas to provide an urban-style infrastructure environment was challenging when compared to the infrastructure already available in cities.
 - **Forrest Ebbs:** Responded to Riley by noting that unincorporated areas are different across counties, as some are more developed than others. Noted that in some places, a third of the population resides in unincorporated areas, and there are some unincorporated towns with larger populations than incorporated cities in other counties. There are more nuanced considerations than just rural versus urban areas.
 - **Abrams:** Stated a desire for low-income advocates or low-income communities to speak to what would be best for their communities in terms of the tradeoff between increasing gentrification and increasing concentrations of poverty. Additionally, noted that although the question of the jobs-housing fit is important, it is not the ratio that is being used presently. Would instead like to look at the ratios of low-income jobs versus high-income jobs, to not end up with a community with a high number of low-income jobs and a high number of high-income housing units.
 - **Noah Housh:** Stated that they were an alternate and wanted to speak as a member of the public. Provided support for the concept of the ABAG exercise for individual support using the tool and allowing for one-on-one space for explanation and clarification. Stated that the original criteria should inform the metrics that end up being used. Thinks it is important to talk about how the methodologies were built with consideration from HMC. Noted that in North Bay, they will push against adding more housing to unincorporated areas and cannot forget risk of wildfires and other natural disasters.
 - **Carlos Romero:** Responding to Abrams comment regarding how low-income communities respond to allocations of moderate-income and above moderate-income housing units. Stated that they have mixed feelings, but a way to mitigate the impacts is to have an inclusionary ordinance that includes a high percentage of lower income housing as a pretext to the development of market-rate housing. It's one way to mitigate the impact, but unclear if it can truly stop the strong forces of displacement experienced by low-income communities and communities of color.
 - **Amber Shipley:** Asked committee members to think about what information they would need to make a decision between moving forward with the Income Shift approach or Bottom-Up approach.
 - **Semonian:** Stated that they need more time to digest the information. Trying to digest how the high opportunity area allocation methodology plays into the income allocations. Most affordable housing being built will mean a lot of moderate or market rate housing being built alongside it.



- **Pierce:** Stated that prior to this meeting, they were already confused and that the meeting had not alleviated these concerns. Stated that they would like more discussion generally and, more specifically, how PBA fits into the methodologies. Raised concerns around the level of subsidy that would be necessary to build the housing units being allocated and around the ability to express the decision made by the committee in a concise way.
 - **Eklund:** Stated that they agree with previous speakers. Acknowledged concerns with using the tool on their own and noted the need for more direct help from staff in using the tool, specifically when it comes to toggling between income shifts. Expressed that whichever methodology is decided on must be simple enough to explain to respective communities. Expressed the need to look at any unintended consequences of whatever methodology is chosen and the desire to look at specific cities.
 - **Neysa Fligor:** Stated that their reservations revolve around why it seems the decisions are framed as either-or, with no opportunity to find a middle ground. Would like to understand if the committee could look at specific communities and know what that the methodologies look like in practice. Asked what a higher income shift refers to in terms of percentage, or magnitude of change.
- **Ruby Bolaria Shifrin:** Stated that they agree they would like more time to digest the information presented. Raised that it is the HMC's responsibility to figure this out and the answer should not be to make things less complex but aim for more equitable outcomes. If that means the tool is more robust than in the past, this is probably a good thing. Acknowledged that they will not make everyone happy, so the group needs to lead with the values that were outlined at the start of the process. Expressed that the group has said in the past that they would like to put more affordable homes in high opportunity areas. They do not want to overburden lower-income areas with low-income housing. Cited a recent study from UC Berkeley's Urban Displacement Project, in partnership with Stanford, that used credit score data to track displacement and found that in the Bay Area, middle-income earners are displaced at a higher rate than low-income earners. This raises the question of offering more market rate housing to help lessen the burden on middle-income earners, and subsequently lessen the further displacement of low-income earners.
- **Tawny Macedo:** Expressed that they shared the concerns raised by Bolaria Shifrin regarding the complexities of where market rate and affordable units are built and the impacts on equity. Acknowledged that the RHNA process is complex, but that the group must come up with a resolution that demonstrates how the 5 statutory objectives are being met. Additionally, responded to Shipley's question, that they would like to see how the factors come together. Stated that the visualization tool is helpful and that it may be helpful to discuss the underlying calculations.
- **Abrams:** Stated that they would like to argue for simplicity, if possible. Noted that staff will have to take this back to the public and that decision makers will have to justify the decision to constituents. If the story can be told in a simple and understandable way, it will be more communicable to the public and other stakeholders.



- **Housh (alternate):** Stated that they agree with Shifrin, Macedo, and Abrams. Would like to get finer grained but also wants to be able to explain the result in a simplified way. Would like to look at the results and calculations side by side. The methodology will not be “one size fits all”. Asked staff to consider whether we can agree on an ultimate framework but there are backstops to make sure we do not push too hard on individual communities.
- **Rick Bonilla:** Noted that the questions regarding affordable housing and displacement apply to San Mateo County, and the ongoing discussions are difficult and tense. In San Mateo in particular, they have an issue with a 30-year-old voter-approved measure that restricted building height to 5 stories throughout most of the city. Acknowledged that to bring up the discussion of impending growth, there must be a way to explain the methodology and results in a simple way. Additionally, noted that the results would fare better with a higher determination number, allowing more housing throughout the Bay Area.
- **Levin:** Stated that they like the tables that break down at the jurisdiction level. With the Bottom-Up approach, asked to clarify whether the idea was to say how much of the total region’s low-income housing allocation is going to City A versus City B. Noted that the maps presented were misleading. Would like to be able to visualize how units will be allocated in practice.
- **Adams:** Thanked members for the feedback they had presented at the meeting. Acknowledged the complexity of the methodologies and the decision-making process. Clarified that they heard many members asking for more details, but noted that this would inherently present more complexity, and potentially lead to confusion. Reminded members that the tool has been upgraded and that staff are available to walk through the tool and explain it in one on one meetings with HMC members. Noted that the input of the PBA Blueprint might either solve or complicate some of the issues that have presented, and staff will work to figure out what the impacts are. At the next meeting, staff will present this Blueprint, and essentially add a final component of the methodology, which may require staff adjusting what has been presented so far. Acknowledged the importance of committee members preparing for that discussion by following up with staff if they would like to get more information on the tool. Noted the difficult decisions on the horizon for HMC members.
- **Matt Maloney:** Thanked everyone for their participation and acknowledged the frustration committee members had expressed. Expressed that with the draft of PBA ready to share, this would hopefully clarify the decisions presented for the group. Noted that many of the strategies considered in this plan are similar to the factors being considered by the HMC. Noted that the plan considers such factors as the natural hazards question, growth in transit-priority and high opportunity areas, market feasibility, and greenhouse gas emissions. The committee could put the results of the Blueprint into the tool, and the committee could choose to pivot off the results, using it as a baseline and making recommendations for adjustments. Specified the importance of the climate goals in PBA. Expressed that they hope this discussion will be illuminating for the group and allow them to pivot toward actionable steps.



Comments from Zoom Chat

- **Martí:** Are there examples of cities similar to City A, City B, and City D?
- **Martí:** Is there any "moderate-income" (ie, affordable to incomes between 80-120% AMI) market-rate housing in the Bay Area? Where?
- **Martí:** How about availability of moderate-income jobs and housing affordable to those workers?
- **Strellis:** Thank you for sharing those questions, Fernando. We will have an opportunity for clarifying questions after the presentation.
- **Amber Shipley:** Fernando - we'll have time for clarifying questions after Gillian's presentation - perhaps you can ask this then?
- **Brilliot:** Please tell us which figure our graph specifically is wrong in the memo and needed to to be replaced in the memo. Thanks
- **Brilliot:** Needs to be replaced with the corrected figure/graph send by Fred this morning
- **Strellis:** Thank you Michael - staff will respond shortly
- **Brilliot:** I have a question
- **Brilliot:** I don't have raise hand function
- **Housh:** I think it is more effective to answer questions 1 at a time to clarify answers.
- **Brilliot:** I have same question as James. But also another
- **Fierce:** Yeah, the "Raise Hand" button got moved around. If you look at the participant list there's a "..." button next to the Invite one, and it hides there now.
- **Brilliot:** Thanks
- **Shrivastava:** can people who are not speaking mute themselves? We can hear a speaker in the background
- **Fierce:** nah, just a blank windows desktop
- **Strellis:** Hi all - just a friendly reminder to mute your mics when you are not speaking
- **Fierce:** there it is
- **Shrivastava:** transit
- **Scott Littlehale:** Can staff make available to HMC members the online data visualization tool that was used in the prior meeting to experiment with results from applying different bottom-up factors? (I cannot locate the link)
- **Abrams:** this one: <https://rhna-factors.mtcanalytics.org/>
- **Shrivastava:** Let's move the meeting along
- **Housh:** I would appreciate moving to discussion
- **Semonian:** As we plan for units in our housing elements jurisdictions with affordable housing units are going to be increasing their market rate units in order to get those affordable units - as most projects are not 100% affordable but are a small share of a market rate project. Wondering if this can be taken into consideration in thiese allocations
- **Semonian:** As we plan for units in our housing elements jurisdictions with affordable housing units are going to be increasing their market rate units in order to get those affordable units - as most projects are not 100% affordable but are a small share of a market rate project. Wondering if this can be taken into consideration in thiese allocations



- **Semonian:** Also having a hard time with the equity factor in the allocation methodology and how that plays out with the income allocations - since it does give certain communities "more of everything" in the initial allocation
- **Fierce:** link, for those scrambling to find that email <https://pollev.com/mtcabag302>
- **Housh:** Thanks Victoria!!
- **Abrams:** Directions: Online: go to PolleEv.com/mtcabag302
- **Abrams:** Via Text: text the phrase MTCABAG302 to the number 22333, and then text the letter that corresponds to your response for multiple choice questions
- **Brilliot:** I vote for 124
- **Brilliot:** 125%,
- **Brilliot:** yes
- **Bob Planthold:** As I said in an e-mail after LAST MTG. too much INFO. is scattered through the multiple e-mails staff sends. Inefficient, asking members to jump back and forth.
- **Ranelletti:** The Income Shift approach is problematic because it assigns more market-rate units to lower-income areas potentially exacerbating displacement. Does the Income Shift methodology allow you to assign a high shift for affordable units and a low shift for market-rate units?
- **Brilliot:** Bottom up
- **Bolaria Shifrin:** Some unincorporated areas in the South Bay are literally a strip of land in btw cities and don't have the same issues of sprawl as the north bay
Parts of El Camino blvd in San Mateo are unincorporated which frankly doesn't make sense so can see how that is different from North bay
- **Levin:** We should not conflate concentrations of very low and low income with "concentration of poverty". Poverty is at or below 30% of AMI, while low income goes up to 80% AMI.
- **Shrivastava:** Is there a way to require minimum densities for unit types. Very low, low and moderate should have them. HCD's criterion of 20 - 30 units is ludi
- **Riley:** I need to be able to fold in the Plan Bay Area info and factors before I can be comfortable recommending a methodology.
- **Levin:** I would be very concerned about switching the base case from current population to Plan Bay Area growth projections AFTER looking at all these methodologies using only the current population as the
- **Brilliot:** Would want to see or compare and contrast how the different methods distribute to the all the individual jurisdictions. Not just maps but actual numbers
- **Monica Brown:** I agree with Elise
- **Matt Walsh:** I agree with Elise. Just need more time to digest info.
- **Fierce:** a point of information, I noticed that in the minutes from last month that discussion sent to "all panelists" didn't end up in the minutes while discussion sent to "everyone". perhaps that was intentional, but something to point out nonetheless
- **Ellen Clark:** The jurisdiction by jurisdiction numbers are critical to understand differences; especially for the bottom up approachBecause the effect on the ground is not predictable, when you look at in broad strokes..
- **Levin:** The minimum densities of 20-30 units/acre to qualify sites as suitable for very low and low income is a statutory issue, not just an HCD regulation. We can't impact



that here, but particularly in places that designate a limited number of available sites, they will have to zone at densities higher than those minimums just to accommodate all of their lower income need.

- **Shrivastava:** The connection of the RHNA to Plan Bay Area is important and I understand it will be discussed at the next meeting.
- **Eli Kaplan:** No final decisions are being made today.
- **Shrivastava:** Some resources could include your planning/housing staff, staff reports written by other jurisdictions and talking with your Planning and Housing Directors. They can help. It is complicated enough for staff, so we can understand how tough it may be for those who don't have the technical background.
- **Planthold:** Too many presentation slides are SMALL in size of type & of images, linear, and narrow. We need to have some slides side-by-side, as well as old-style flow-chart approach. SO that, as slides advance we can infer arrows pointing to different options and how factors affect.
- **Brilliot:** I agree that the effect of market rate in low income communities is a complex and would like to understand this issue better, and hear from people that are knowledgeable
- **Brilliot:** And get the perspective of these communities
- **Susan Adams:** I agree with the. m
- **Shrivastava:** The minimum densities don't just address the number of units but also economic feasibility.
- **Fierce:** not raising my hand because I'd basically be saying everything that Rick is saying now, as a point of information
- **Adams:** I agree with the need for a clear, easy to understand and explain the methodology to our staff and constituents.
- **Shrivastava:** many times, cities zone sites for low or v low income housing at 30 units per acre but when they develop, they are all market-rate housing with maybe a 15% inclusionary number. There is a huge disconnect between the planning and implementation
- **Regan:** The RHND is a floor not a ceiling. Of course a higher floor would be better but there's nothing other than political will stopping us from going higher.
- **Walsh:** As an agency staffer, the simpler, the better. Easier to explain to decision makers and the public.
- **Fierce:** In practice, this never happens. The cities that need affordable housing the most always end up failing to meet their minimal goals on purpose anyways.
- **Levin:** Aarti - new state law will address that issue somewhat. If a city designates a site as low income, but develops it as market with 15% low income, it may need to then designate additional sites because it will no longer have the site capacity to meet its low income RHNA. In the past that was only looked at when the Housing Element was submitted, but now there is a requirement to maintain sufficient sites for each income level throughout the entire 8-year cycle.
- **Fierce:** yeah, No Net Loss is a thing now. you can't just approve an inventory site for less than what was planned without reallocating the difference to another site
- **Rick Bonilla:** I think it would help if we could see some samples of different types of jurisdictions under different scenarios and discuss different outcomes.



- **Shrivastava:** Thanks for the input. I think cities will have to make the decisions on the minimum densities to address disconnect between the planning and implementation if they are not to continually look at more sites throughout the cycle. With some help from State laws.
- **Brown:** Is the next meeting July 9th?
- **Arreguin:** Yes the next meeting is July 9th
- **Bolaria Shifrin:** Not for another year but happy to share what I can. Also there are other studies we've funded in this area that have come out that I can share. It's just not accurate to say market rate development always causes displacement. Data shows it actually can help mitigate displacement on a County level
- **Fierce:** there's a mirroring option in the settings you can fiddle with
- **Fierce:** yeah idk where it is either, I just know I found it once lol

Public Comment

- **Aaron Eckhouse, Regional Organizing Director of California YIMBY:** Stated that they would like to echo the importance of high total allocation in communities with high resources and high job proximity, in both the lower income and market rate housing. Noted that there are ways to achieve this through both the Bottom-Up or Income Shift approaches. Regarding the issue raised with unincorporated areas, they felt this pointed to the issues with using jobs-housing balance as a metric. Stated that there is an issue with the sensitivity to placement of jurisdictional lines, particularly when there are small denominators at play, the ratios can become skewed. Stated that they prefer jobs proximity as a metric and that this will help focus housing growth in the Bay Area core, where it will do the most to advance climate goals rather than push housing out to periphery. Jobs and transit are important and relevant and encouraged the committee to use it.

6. Summary of Housing Methodology Committee (HMC) Progress to Date and Preview of Next Steps – *Gillian Adams (Information Item)*

HMC Member Questions/Comments – Clarifying Questions

- **Regan:** Asked staff to clarify the difference between the statutory 'must-haves' and 'like-to-haves', and whether staff would alert members when these were in conflict.
 - **Adams:** Stated that yes, staff will have members focus on statutory components. Noted that it was unlikely these would come into conflict.
- **Martí:** Asked to clarify whether the group was voting on all the statements at once or one-by-one.
 - **Shipley:** One-by-one.

Modified Consensus Voting

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

Result: Consensus reached.



Statement 2: The methodology should focus on: Equity, as represented by High Opportunity Areas (weighted 30-60% in March options) and the relationship between housing and jobs (weighted 20-60% in March options); however, no consensus on specific factor.

Result: Consensus reached.

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

Result: Consensus reached.

Statement 4: Do not limit allocations based on past RHNA.

Result: Consensus reached.

Statement 5: Minimal support for Divergence Index factor.

Result: Consensus reached.

Statement 5B: Minimal support for Vehicle Miles Traveled (VMT) factor.

Result: Consensus not reached.

Statement 6: Housing in high hazard areas is a concern, but RHNA may not be the best tool to address it.

Result: Consensus reached.

Statement 7: Sample methodologies from March have too much growth in unincorporated areas.

Result: Consensus not reached.

Discussion

- **Littlehale:** Noted that one of the only future indicators is the future jobs factor. Asked staff whether they had seen support for this.
 - **Adams:** Stated that the future jobs factor would come from PBA.
- **Shipley:** Asked committee members to discuss the VMT factor, what had given them pause, and what they would like to hear from staff to move the conversation forward.
- **Bonilla:** Alluded to the point made earlier that different counties are different with their unincorporated areas. Noted that in San Mateo county, there are areas along major stretches of roads that are considered unincorporated but are good spots to promote development. However, there are other unincorporated areas in which this does not apply.
- **Brilliot:** Expressed the need to differentiate between county pockets in an urbanized area versus unincorporated areas.
- **Riley:** Agreed with Brilliot. Stated that when looking at the map overall, for the entire North Bay including Napa and Solano counties, there is a higher growth in unincorporated areas than in cities. Expressed that they would like to look at the data to understand why this is the case in the North Bay and not the South Bay.
- **Eklund:** Stated that they feel strongly that agricultural land and open space should be protected, especially if the areas are zoned, which is mostly in unincorporated areas. Noted that there are cities that have property that is zoned for agricultural use. Feels that any property zoned for agricultural or open space should be removed from the analysis and not have the opportunity to be rezoned for residential use. Stated that Sonoma



County is atypical, as most of the cities have urban growth boundaries. Noted that Novato is the only city in Marin County that has an urban growth boundary. Further, stated that there are unincorporated areas that are built out along Highway 101 corridor. Expressed that they feel it is critical to respect agriculturally zoned land and open space.

- **Ebbs:** Stated that they felt every county is diverse. The issue of unincorporated versus incorporated gets into local policies and could undercut the entire decision made by RHNA. If RHNA required housing in incorporated cities but do not allow for annexation, there is a possibility to end up in the same situation in the future when unincorporated areas are untouchable. Stated that using unincorporated versus incorporated is not a consistent metric across all different counties and that the decision should be made at the local government level.

Comments from Zoom Chat

- **Bonilla:** I really feel very strongly that even with this determination we need to find some very creative and durable public funding tools. I think private developers and banks may be reticent to help because there is uncertainty looking ahead and their strong bent for profit. Partnerships will need to be created that allow for motivation while meeting the needs
- **Fierce:** dope, my sound stopped working. I need to rejoin real quick.\
- **Strellis:** The first item we will be voting on is "More housing should go to jurisdictions with more jobs than housing and to communities exhibiting racial and economic exclusion" - Does the committee make this recommendation?
- **Romero:** Green
- **Fierce:** matt that is incredible
- **Planthold:** Q.1 --GREEN Card.
- **Abrams:** can we let the yellow people make comments?
- **Planthold:** Q. 2 - GREEN -- for both parts.
- **Shipley:** 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
- **Strellis:** 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
- **Romero:** Green, green
- **Strellis:** Equity factors need to be part of total allocation, not just income allocation
- **Romero:** Green
- **Planthold:** Q. 3- GREEN Card.
- **Planthold:** Q. 4 - GREEN Card.
- **Strellis:** Do not limit allocations based on past RHNA
- **Abrams:** If these are important decisions, I think it would be really helpful for us to hear insights about people who have concerns before we vote, rather than only giving them the option to send in comments afterwards. To hear the diversity of opinion will help me understand the issue.



- **Regan:** can you give us a scenario?
- **Romero:** Green
- **Levin:** So this is not a vote on what to do, but a vote on what to talk about?
- **Shrivastava:** PDAs are part of Plan Bay Area
- **Fierce:** yeah, separate from RHNA
- **Levin:** In other words, no guarantee that a city won't get a large increase or decrease compared to last cycle
- **Fierce:** in spirit of making it easier to explain to the public, I'm voting green
- **Fierce:** and matt's one red
- **Planthold:** Q. 5 VMT -- Green for minimal support Divergence Index --Yellow. If only one color for both factors, then Green.
- **Shrivastava:** need an explanation of both
- **Strellis:** Minimal support for Divergence Index or Vehicle Miles Traveled (VMT) factors
- **Macedo:** Would it help to address both of those separately with voting?
- **Shrivastava:** Agree that we should separate both
- **Shrivastava:** can Gillian explain divergence index
- **Shrivastava:** Will we discuss VMT in the context of Plan Bay Area
- **Strellis:** Minimal support for Vehicle Miles Traveled (VMT) factor
- **Strellis:** Housing in high hazard areas is a concern, but RHNA may not be the best tool to address
- **Planthold:** Q. 6 - Green card
- **Strellis:** Sample methodologies from March have too much growth in unincorporated areas
- **Planthold:** Q. 7 -- Yellow card
- **Riley:** I don't think its all unincorporated areas . . .
- **Levin:** When we do discuss unincorporated areas, it would be useful if staff could bring info that helps us understand how much of those areas is urbanized vs rural?
- **Matt Walsh:** I agree Jeff. Each County is a little different in how they address development.
- **Semonian:** And why are the county areas getting more - because they are high resource areas or segregated?
- **Clark:** Urbanized might be a better distinguishing factor than "unincorporated".. Agree there is a lot of variation - thinking about Alameda County and (say) Castro Valley versus East County
- **Shrivastava:** How late are we going to run
- **Levin:** Assigning housing to unincorporated areas doesn't necessarily mean promoting sprawl or developing in high risk areas. It's a county zoning decision as to where within the unincorporated area they would accommodate growth.
- **Bolaria Shifrin:** Agree with Rick and Jeff
- **Riley:** Do you all not have Urban Growth Boundaries approved by your voters?
- **Nickens:** I agree with Ellen, Rick, and Jeff.
- **Fierce:** yeah, its kinda the same question as the earlier one about high risk areas. we can give a county a big assignment, but RHNA ultimately can't say if the county moves that in an urbanized or rural area
- **Brown:** Solano County has urban limit. Growth is to be in the cities.



- **Fierce:** like, what we're doing here is saying "You must build X units of housing, now go figure out where to put it" and its on them to not put it in high risk areas, just as it is on them to not create sprawl
- **Brilliot:** I agree with that
- **Levin:** This is why we need to see the absolute numbers and not just the growth rates. A 20% increase on a base of 10,000 is far different from a 5% increase o a base of 200,000
- **Shrivastava:** i agree with Victoria
- **Bonilla:** I agree with Victoria too
- **Brilliot:** I agree with the statement from Jane Riley
- **Riley:** we don't get to look at zoning.
- **Levin:** I also agree with Victoria's statement
- **Bonilla:** Lots of zoning needs to be changed
- **Fierce:** I mean, ultimately, this whole process is just illuminating the gaps in our patchwork of regional governance. I hope we can address these gaps in coming years.
- **Levin:** Current zoning cannot be a factor when the point of Housing Elements is that jurisdictions may have to modify their zoning to accommodate their fair share of the region's housing need.
- **Riley:** Exactly, Jeff.
- **Regan:** At the risk of sounding like a broken record, we must also avoid the scenario where we focus so much growth in so few areas that we are looking at Type 1 or Type 2 construction in places where it makes no sense to build. It needs to be feasible at the end of the day.
- **Fierce:** yeah, exactly what Jeff said too
- **Riley:** Ditto Matt
- **Fierce:** having jx's update their zoning is, in fact, part of the housing element update process that is required in response to our RHNA numbers
- **Riley:** Yes Victoria!
- **Levin:** I agree with Matt. If we are concerned about construction cost and affordability we can't produce a growth pattern that calls for either high rise or single family and nothing in between. Spreading out the need across more places avoids that outcome
- **Fierce:** I do trust that the 101 planning directors in the bay area are smart enough to meet the challenge
- **Riley:** Thank you everyone. Good discussion!
- **Brown:** Happy Juneteenth
- **Brilliot:** Thanks1
- **Fierce:** yes, happy juneteenth!

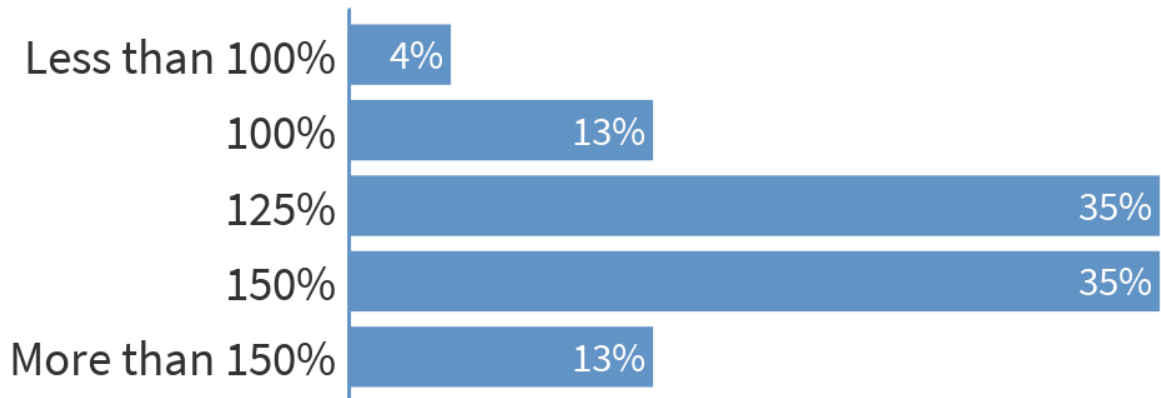
Public Comment

- **David Early:** Alerted staff that audience could not see the text or the green, red, or yellow cards shown during the meeting.

7. Adjournment / Next Meeting – July 9



If ABAG staff uses an income shift methodology, what income shift multiplier would you feel most comfortable with?



If ABAG staff uses a bottom-up methodology, do you like the factors staff selected for allocating affordable units (Access to High Opportunity Areas, Jobs-Housing Fit, Job Proximity – Transit)?



If ABAG staff uses a bottom-up methodology, do you the like the factors staff selected for allocating market-rate units (Jobs-Housing Balance, Job Proximity – Auto, Job Proximity – Transit)



Do you prefer the income shift approach or the bottom-up approach?

