



WELCOME

ABAG Housing
Methodology Committee

July 9, 2020



USING PLAN BAY AREA 2050 IN THE RHNA METHODOLOGY

ABAG Housing
Methodology Committee

July 9, 2020

Plan Bay Area 2050 and RHNA methodology

- RHNA must be consistent with the development pattern from Plan Bay Area 2050
- HMC to consider potential options for incorporating Draft Blueprint in the RHNA methodology:
 - Option 1: Blueprint as an allocation factor
 - Option 2: Blueprint as baseline allocation

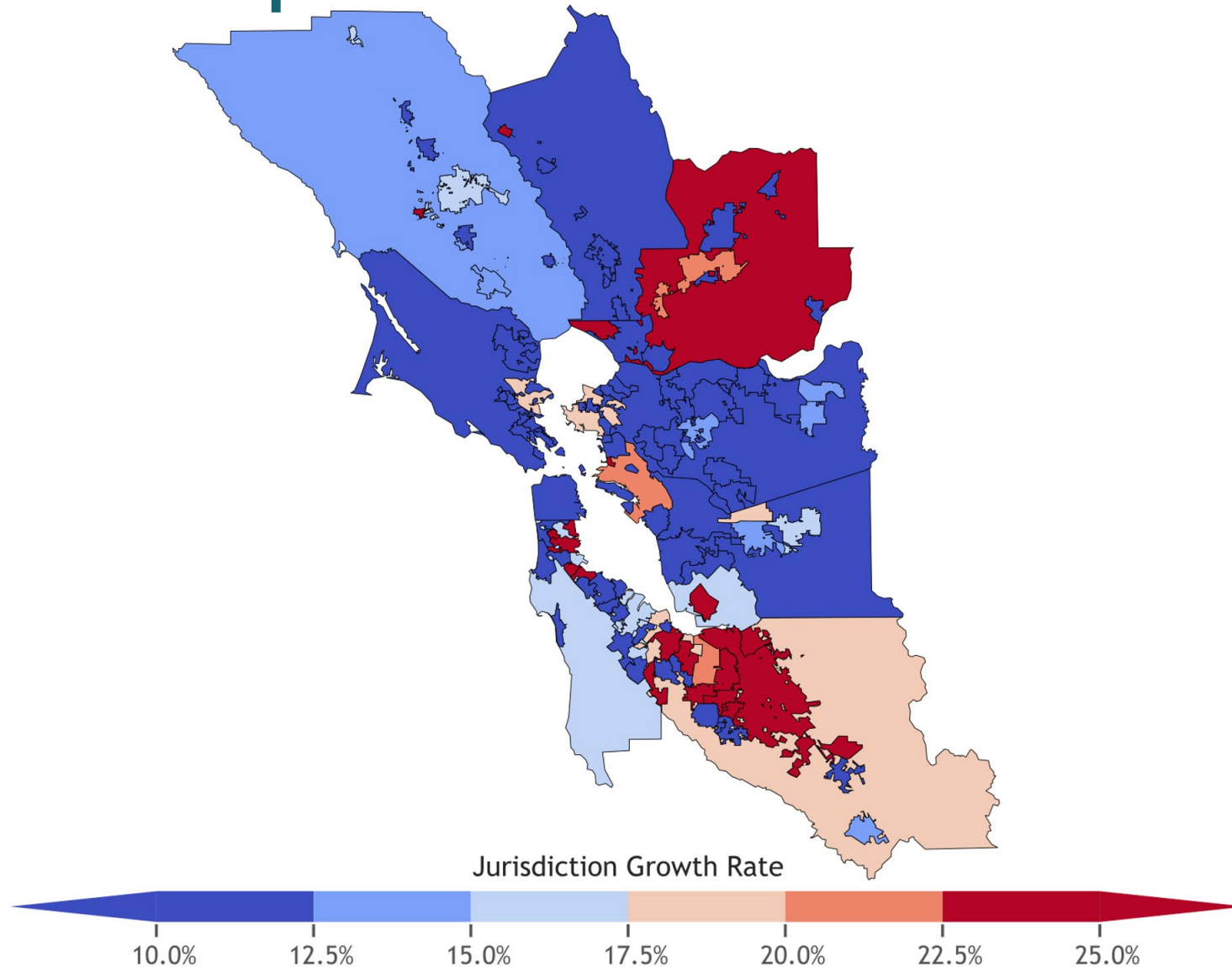
Alignment between Draft Blueprint and RHNA goals

- HMC input from June included:
 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 and the relationship between housing and jobs
 3. Housing in high hazard areas is a concern, but RHNA may not be the best tool to address
- Draft Blueprint results in:
 - Substantial housing growth in high-resource communities, particularly in the South Bay, which helps to make these areas more inclusive
 - More growth near existing job centers, particularly on the Peninsula and in the South Bay
 - No additional growth in areas outside Urban Growth Boundaries and in areas with very high wildfire risk; protection of nearly all households at risk of sea level rise

Option 1: Blueprint as allocation factor

- Jurisdiction allocation is based on share of household growth from 2010 to 2050 from the Draft Blueprint
- Draft Blueprint is used to determine the allocation; it is not used to adjust a baseline allocation
- Best paired with Income Shift income allocation methodology

Option 1: Blueprint as allocation factor



Option 2: Blueprint as baseline allocation

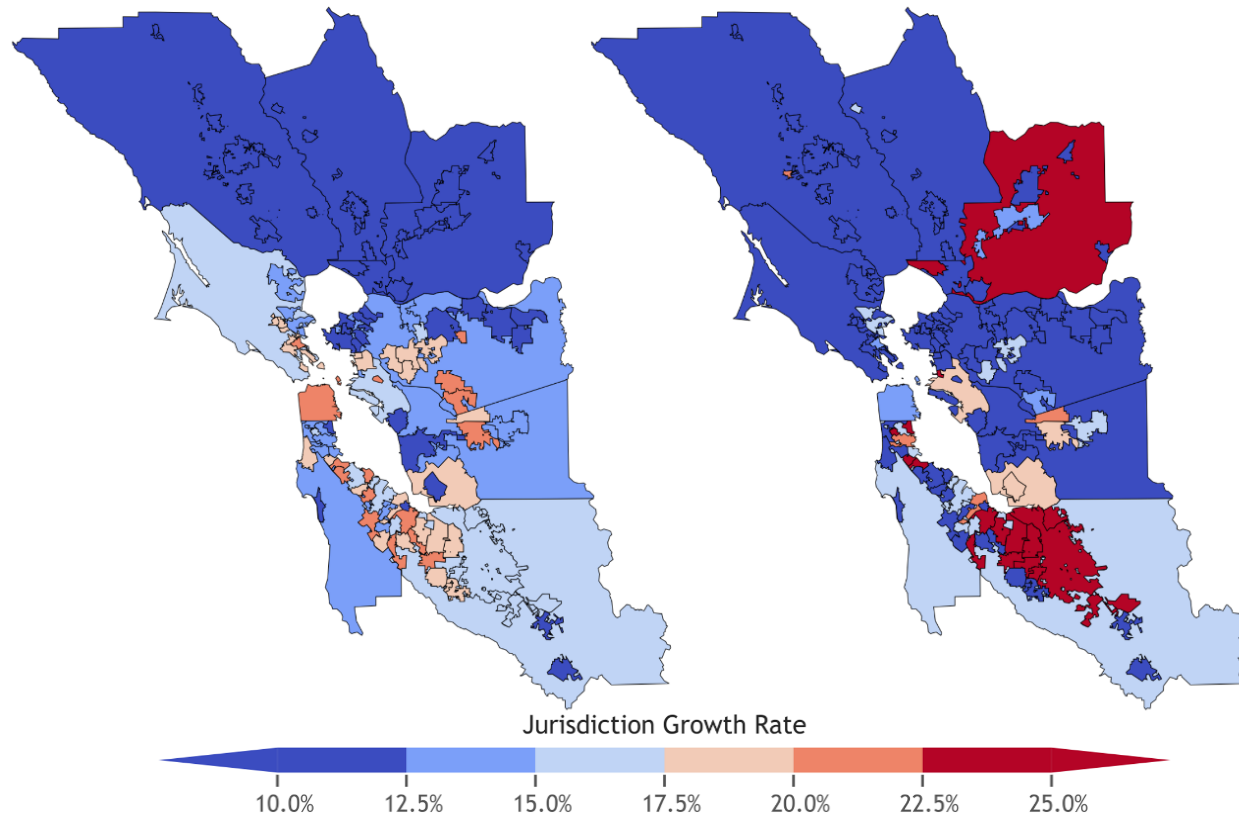
- Baseline allocation is starting place for methodology; factors and weights adjust the baseline up or down, depending on how a jurisdiction scores compared to other jurisdictions in the region
- Option 2 for incorporating Plan Bay Area 2050 in RHNA is to use 2010 to 2050 household growth from Draft Blueprint as baseline allocation instead of total households in 2019
- Same approach used in ABAG methodologies for previous RHNA cycles
- Most effective way to incorporate Draft Blueprint into *Bottom-Up* methodology options

Option 2: Blueprint as baseline allocation

Housing/Jobs Crescent

Baseline: Households in 2019

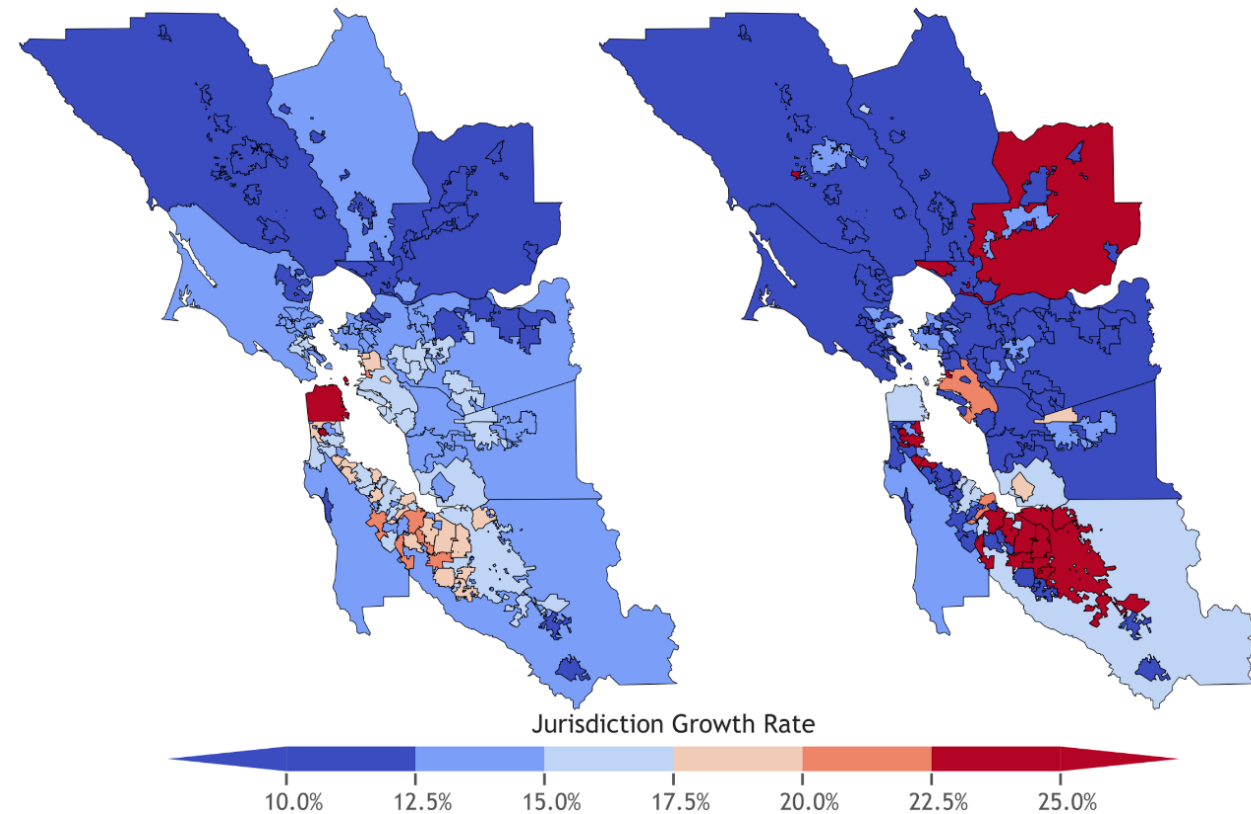
Baseline: Blueprint Growth 2020-2050



Bottom-Up 3-Factor Concept

Baseline: Households in 2019

Baseline: Blueprint Growth 2020-2050



Pros/cons for using Draft Blueprint in RHNA methodology

	Use the Blueprint	Continue to use 2019 households
PROS	<ul style="list-style-type: none">• Simple and straightforward• Integrates transit, hazards, and market feasibility through strategies and modeling• Better aligned with Plan Bay Area 2050• RHNA allocations more focused in Silicon Valley, region's largest job center• Higher RHNA allocations in high-resource areas near major job centers - notably in South Bay	<ul style="list-style-type: none">• Relatively straightforward• More even distribution of RHNA throughout region• Not dependent on Final Blueprint slated for approval this fall
CONS	<ul style="list-style-type: none">• Lower RHNA allocations for some high-resource areas outside Silicon Valley• Draft Blueprint as allocation factor does not work easily for Bottom-Up approach• Blueprint will continue to evolve in summer & fall via Plan public engagement	<ul style="list-style-type: none">• RHNA allocations less aligned with long-range housing vision (Plan Bay Area 2050)• If HMC wants RHNA methodology to emphasize topics in the Plan (e.g., hazards, transit, market feasibility, etc.) they may need to be added as allocation factors

In my **community**,

I want to see affordable housing
because ...

Everyone with a Section 8 voucher
should be able to find a place
to live!



In my **community**,

I want to see a traffic circle/roundabout
because ... @ the junction of 3 roads
into town

traffic spends a long time crawling
to wider 2 lane section. Remove
traffic lights and traffic would
FLOW



In my **community**



because...

the ocean view
It's so beautiful!!



In my **community**,

I want to see green hills & streets
Restored creeks w/ fish
because ...

I love nature ... it restores
me ... and because nature & the
environment supports ^{all} life



In my **community**,

I want to see more \$ for
ART
because ...

WOT 3 ON THE
FRS ON THE
AND



PUBLIC COMMENT

ABAG Housing
Methodology Committee

July 9, 2020



REVISITING INCOME ALLOCATION APPROACHES

ABAG Housing
Methodology Committee

July 9, 2020

Potential approaches to income allocation

Income allocation
applied to total
allocation

**Income
Shift**

Income allocation
builds the total
allocation

**Bottom-
Up**

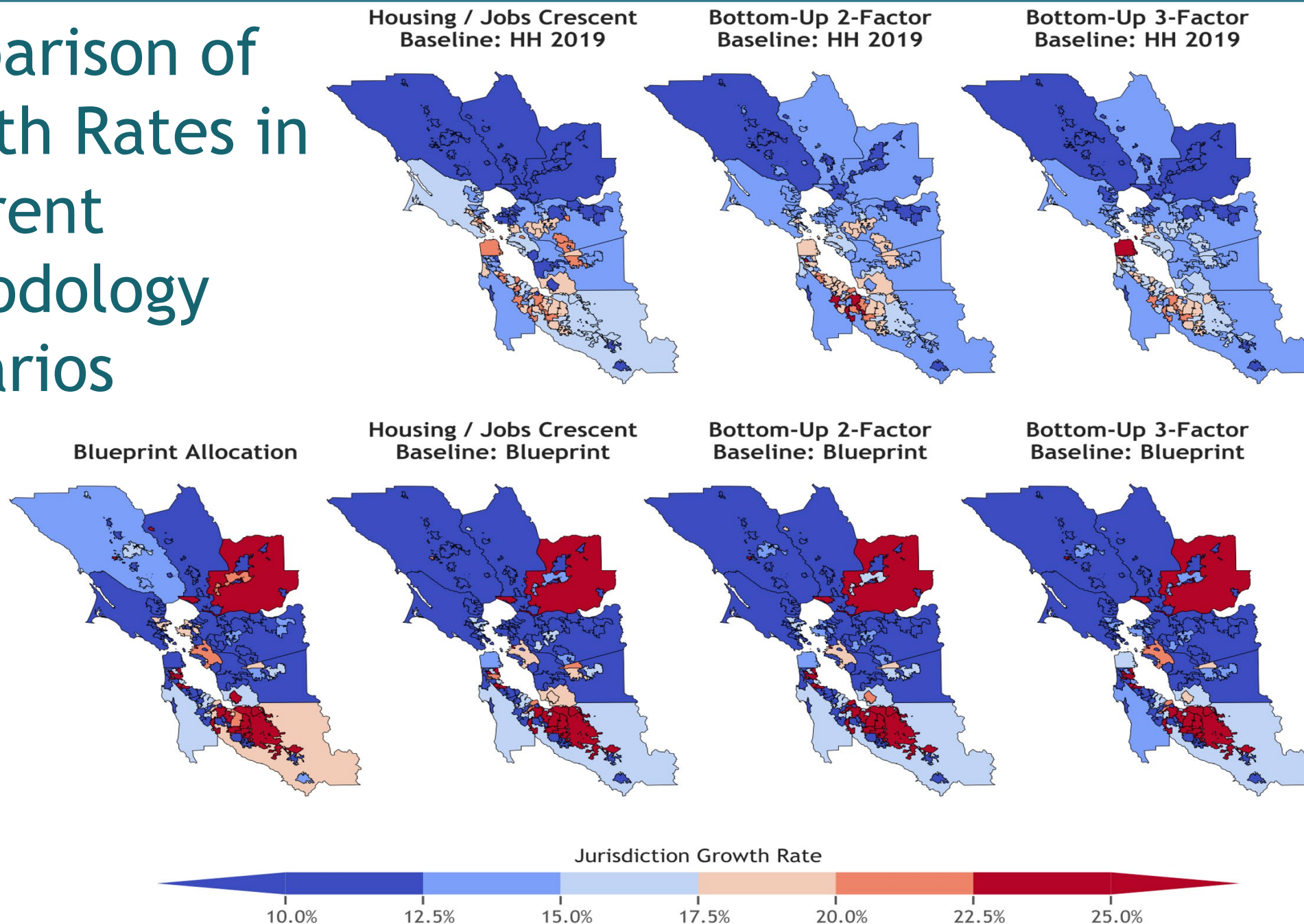
Feedback from HMC in June

- **Income Shift multiplier:** 70% prefer 125% multiplier or 150% multiplier, with committee members evenly split between these two options
- **Factors for Bottom-Up concepts:** nearly all HMC members supported using the factors selected by staff for the *Bottom-Up* methodology concepts
- **Preferred income allocation methodology:** 50% prefer Bottom-Up approach, but 33% still undecided

Multi-faceted decision: income allocation approach and baseline allocation

- **Baseline allocation** has significant impact on methodology output
- **Income allocation approach** can affect both how jurisdiction's RHNA is divided among income categories and the total RHNA assigned to jurisdictions
- HMC needs to consider combined impact of income allocation approach and baseline allocation

Comparison of Growth Rates in Different Methodology Scenarios



Performance on evaluation metrics

- **Objective 1 metric:** Do jurisdictions with the most expensive housing costs receive a significant percentage of their RHNA as lower-income units?
 - Results: **Bottom-Up 2-Factor Concept (either baseline)** results in most expensive jurisdictions receiving 50% of allocation as lower-income units
- **Objective 2 metrics:** Do jurisdictions with the largest share of the region's jobs have the highest growth rates resulting from RHNA? Do jurisdictions with the largest share of the region's Transit Priority Area acres have the highest growth rates resulting from RHNA?
 - Results: **Bottom-Up 3-Factor Concept (Draft Blueprint baseline)** and **Housing/Jobs Crescent (Draft Blueprint baseline)** result in jurisdictions with most jobs and transit access growing by 21%

Performance on evaluation metrics

- **Objective 3 metric:** Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a significant percentage of their RHNA as lower-income units?
 - Results: Both **Bottom-Up concepts (2019 households baseline)** result in jurisdictions with most unbalanced jobs-housing fit receiving 49% of allocation at lower-income units
- **Objective 4 metrics:** Do jurisdictions with the largest percentage of low-income residents receive a smaller share of their RHNA as lower-income units than jurisdictions with the largest percentage of high-income residents?
 - Results: Both **Bottom-Up concepts (either baseline)** result in disproportionately high-income jurisdictions receiving 51% of RHNA as lower-income units, while disproportionately low-income jurisdictions receive 39% of RHNA as lower-income units

Performance on evaluation metrics

- **Objective 5 metrics:** Do jurisdictions with the largest percentage of households living in High or Highest Resource tracts receive a significant percentage of their RHNA as lower-income units? Do racially and economically exclusive jurisdictions receive allocations proportional to their share of the region's households?
 - Results: Both **Bottom-Up concepts (2019 households baseline)** result in jurisdictions with most access to opportunity receiving 51% of RHNA as lower-income units. **Housing/Jobs Crescent (2019 households baseline)** results in 87% of high divergence/high income jurisdictions receiving RHNA numbers that are at least proportional to their share of the region's households

Discussion questions

- Should ABAG use the Plan Bay Area 2050 Blueprint in the RHNA methodology? If so, how?
- Do you prefer the Income Shift approach or the Bottom Up approach?
- Which baseline allocation pairs best with the income allocation approach you prefer?
- If you are undecided about any of the above, what else do you need to know to make a decision?

In my **community**,

I want to see affordable housing
because ...

Everyone with a Section 8 voucher
should be able to find a place
to live!



In my **community**,

I want to see a traffic circle/roundabout
because ... @ the junction of 3 roads
into town

traffic spends a long time crawling
to wider 2 lane section. Remove
traffic lights and traffic would
FLOW



In my **community**



because...

the ocean view
It's so beautiful!!



In my **community**,

I want to see green hills & streets
Restored creeks w/ fish
because ...

I love nature ... it restores
me ... and because nature & the
environment supports ^{all} life



In my **community**,

I want to see more \$ for
ART
because ...

WOT 3 ON THE
FRS ON THE
AND



PUBLIC COMMENT

ABAG Housing
Methodology Committee

July 9, 2020



WRAP UP AND NEXT STEPS

ABAG Housing
Methodology Committee

July 9, 2020