



WELCOME

ABAG Housing
Methodology Committee

September 18, 2020



RECOMMENDING A PROPOSED METHODOLOGY

ABAG Housing
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Today's agenda

- Staff will briefly present the methodology options prioritized by the HMC at the September 4 meeting
- HMC will have opportunity to discuss options prior to voting on a proposed RHNA methodology to recommend to ABAG Regional Planning Committee and Executive Board

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
 - Relationship between housing and jobs; 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

Building blocks of the RHNA methodology

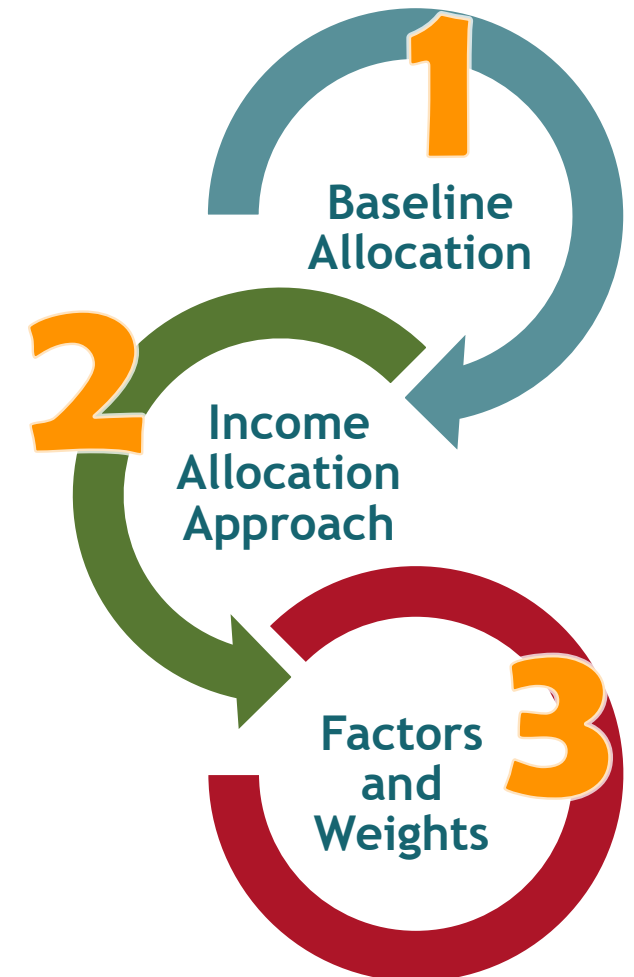
1. HMC preferred baseline allocation: 2050 Households (Blueprint)

- Captures the benefits of using the Plan Bay Area 2050 Blueprint in the RHNA methodology
- Provides a middle ground between using Households 2019 and Housing Growth (Blueprint)

2. HMC preferred income allocation approach: Bottom-Up

- Allows more control over allocations for a particular income category
- Can direct more lower-income units toward areas of opportunity while reducing market-rate units in jurisdictions with a higher percentage of lower-income households to reduce displacement pressures

3. Factors and weights: final decision today



Benefits of using 2050 Households (Blueprint) as baseline

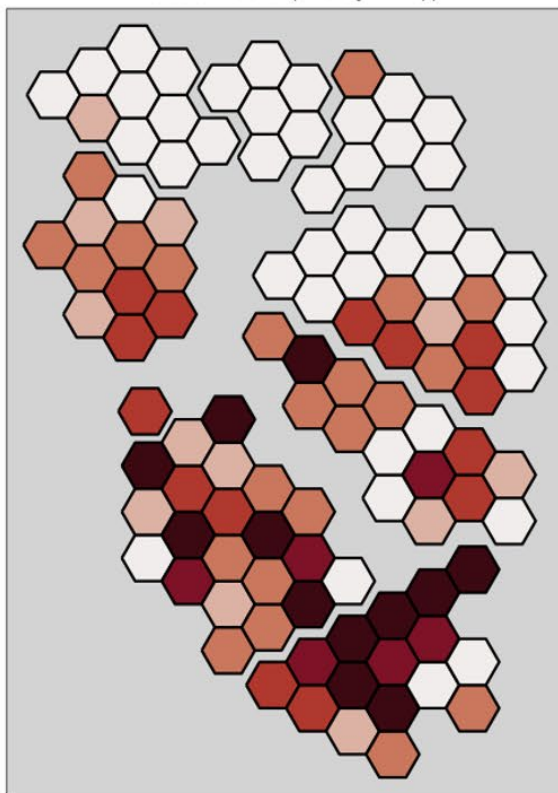
- Blueprint growth pattern reflects HMC goals
 - More housing in high resource areas, close to existing job centers, near transit
- May be more directly suited to addressing concerns related to hazards
 - Blueprint does not focus additional growth in areas with high wildfire risk or lands outside Urban Growth Boundaries
- UrbanSim model enables analysis of wide variety of land use data
- Communicates a unified vision for the Bay Area's future
- Supports more equitable, less segregated growth pattern in near-term while building toward broader range of positive outcomes from the Blueprint in the long-term
- Increases consistency between RHNA and Plan Bay Area, as required by law

Options for discussion from last meeting

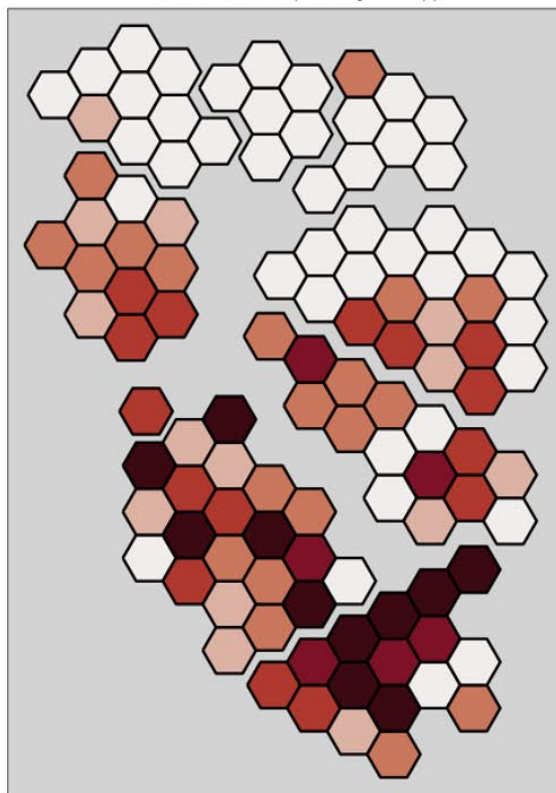
Option 5A: 50/50 High Opportunity Areas & Jobs	Option 6A: Modified High Opportunity Areas Emphasis	Option 7A: Balanced High Opportunity Areas & Job Proximity	Option 8A: High Opportunity Areas Emphasis & Job Proximity
<p><i>Very Low <u>and</u> Low</i></p> <ul style="list-style-type: none"> • 50% Access to High Opportunity Areas • 50% Jobs-Housing Fit <p><i>Moderate <u>and</u> Above Moderate</i></p> <ul style="list-style-type: none"> • 50% Access to High Opportunity Areas • 50% Job Proximity - Auto 	<p><i>Very Low <u>and</u> Low</i></p> <ul style="list-style-type: none"> • 70% Access to High Opportunity Areas • 30% Jobs-Housing Fit <p><i>Moderate <u>and</u> Above Moderate</i></p> <ul style="list-style-type: none"> • 40% Access to High Opportunity Areas • 60% Job Proximity - Auto 	<p><i>Very Low <u>and</u> Low</i></p> <ul style="list-style-type: none"> • 50% Access to High Opportunity Areas • <u>25% Job Proximity - Auto</u> • <u>25% Job Proximity - Transit</u> <p><i>Moderate <u>and</u> Above Moderate</i></p> <ul style="list-style-type: none"> • 50% Access to High Opportunity Areas • 50% Job Proximity - Auto 	<p><i>Very Low <u>and</u> Low</i></p> <ul style="list-style-type: none"> • 70% Access to High Opportunity Areas • <u>15% Job Proximity - Auto</u> • <u>15% Job Proximity - Transit</u> <p><i>Moderate <u>and</u> Above Moderate</i></p> <ul style="list-style-type: none"> • 40% Access to High Opportunity Areas • 60% Job Proximity - Auto

Comparison of methodology results

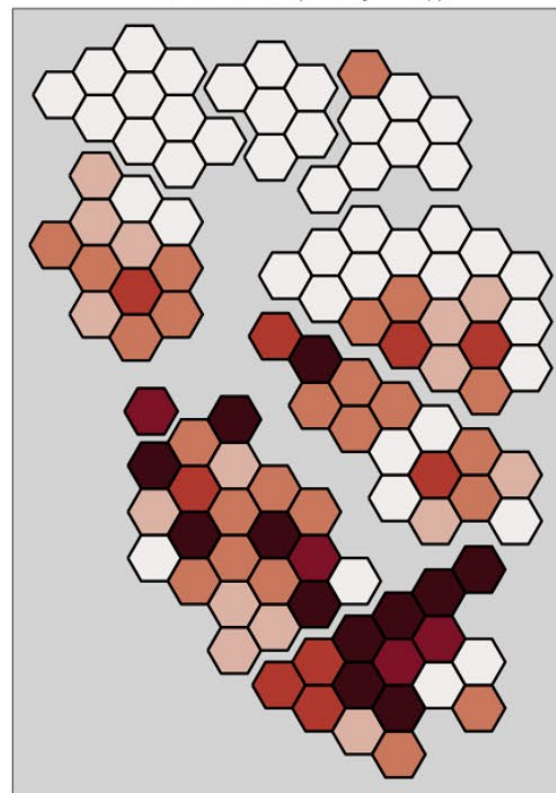
Option 5A: 50/50 High Opportunity Areas & Jobs (Baseline: 2050 Households (Blueprint))



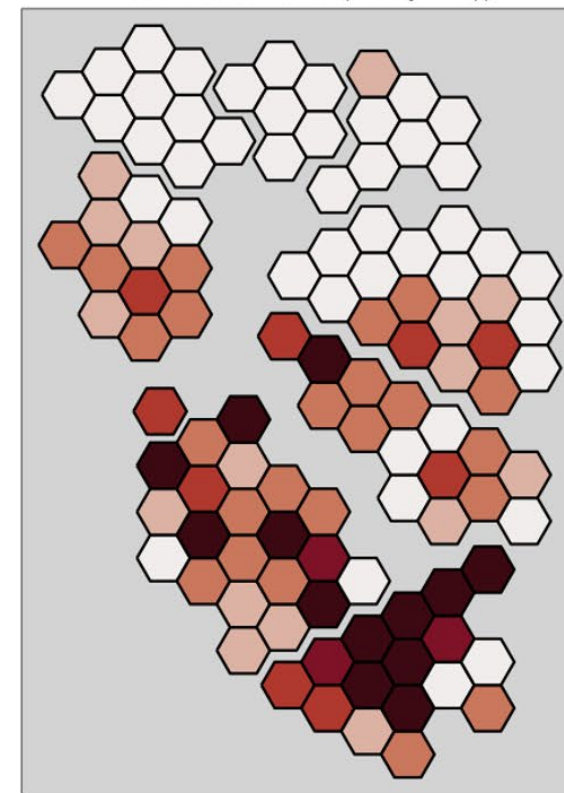
Option 6A: Modified High Opportunity Areas Emphasis (Baseline: 2050 Households (Blueprint))



Option 7A: Balanced High Opportunity Areas & Job Proximity (Baseline: 2050 Households (Blueprint))



Option 8A: High Opportunity Areas Emphasis & Job Proximity (Baseline: 2050 Households (Blueprint))



Jurisdiction growth rate

10.0%

12.5%

15.0%

17.5%

20.0%

22.5%

25.0%

Equity adjustment (proposed by HMC)

- Components
 - Identify exclusionary jurisdictions using composite score based on the jurisdiction's divergence index and percent of the jurisdiction's households above 120% AMI
 - Ensure each jurisdiction identified as exclusionary using the composite score receives a lower-income unit allocation at least proportional to its share of the region's total households in 2019
- Implementation
 - Imposes a floor for lower-income units assigned to the 49 jurisdictions identified using the suggested composite score
 - Lower-income units redistributed from remaining 57 jurisdictions to ensure all 49 jurisdictions identified by composite score receive proportional lower-income allocations
- Impact
 - Reallocate units to address region-wide deficit of 1,800-3,700 lower-income units (depending on methodology options) among jurisdictions identified by composite score

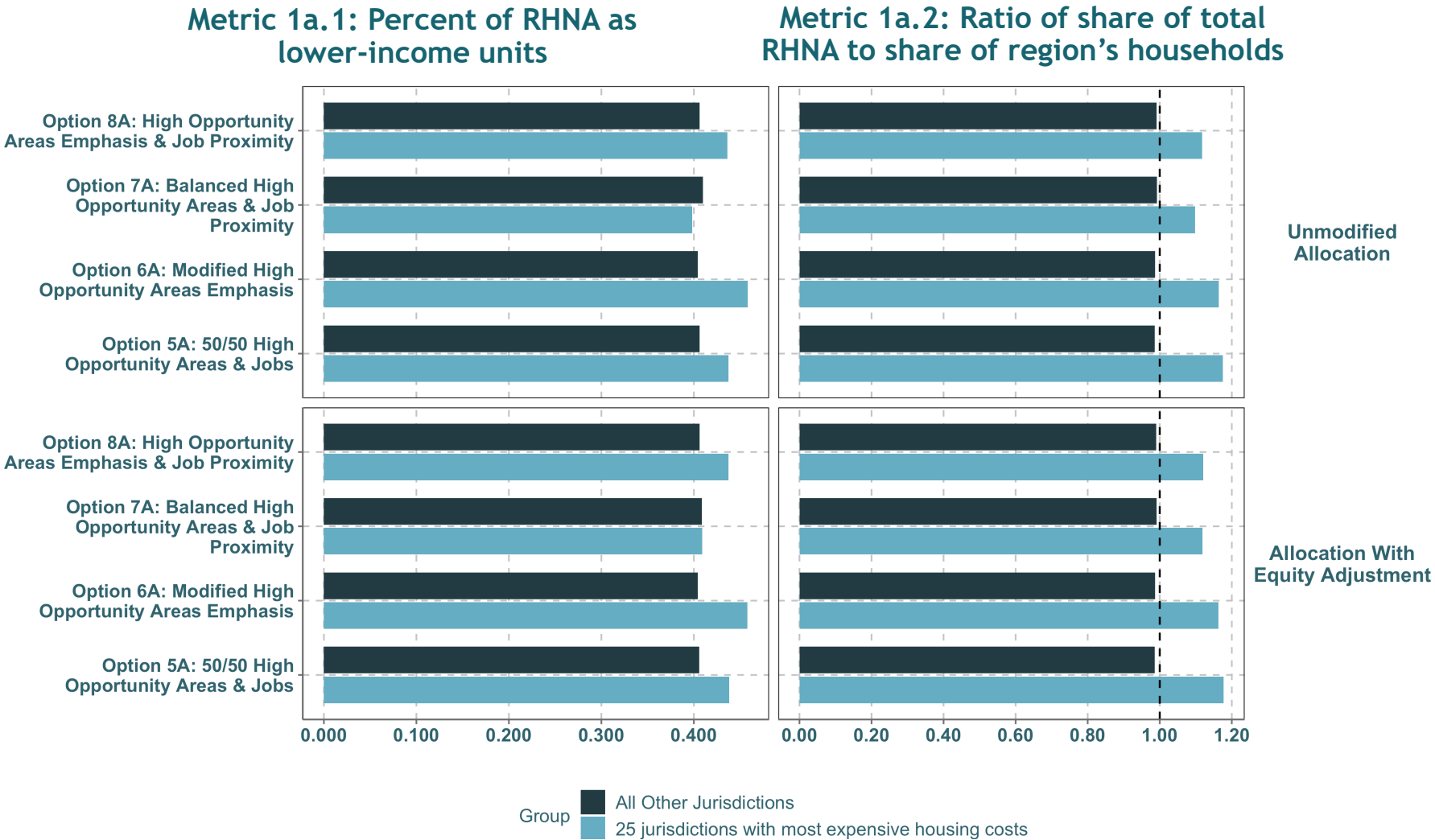
Consistency between RHNA and Plan Bay Area

- Staff compared the RHNA allocation results from eight options to the 30-year housing growth forecasts from the Plan Bay Area 2050 Draft Blueprint at the county and subcounty levels
- There were no consistency issues with any of the six methodology concepts evaluated

Objective 1: increase the housing supply and the mix of housing types in an equitable manner

Metric 1a.1: Do the least affordable jurisdictions receive a large percent of their RHNA as lower-income units?

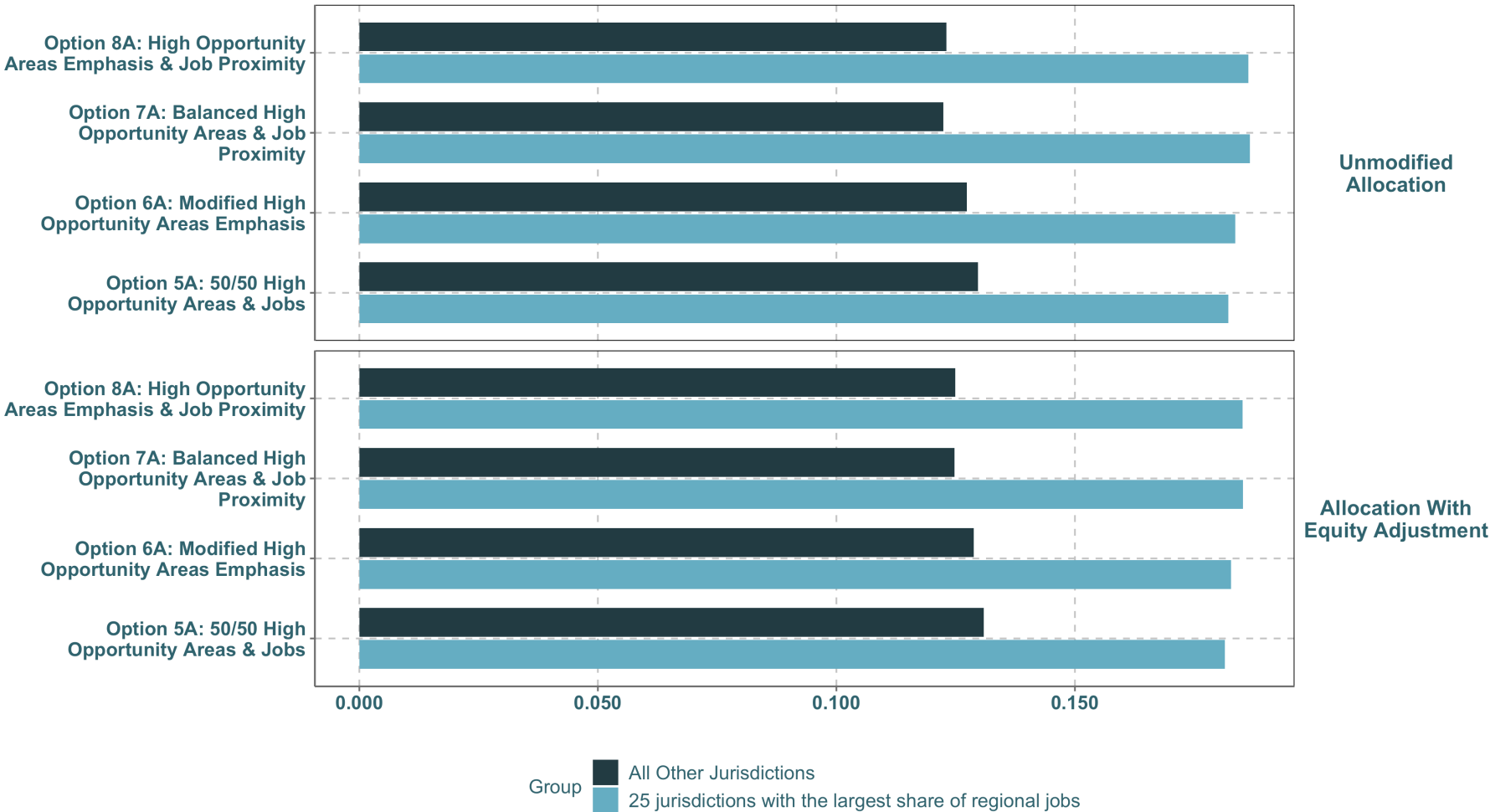
Metric 1a.2: Do the least affordable jurisdictions receive allocations proportional to share of households?



Objective 2: promote infill development, efficient development, and GHG reduction

Metric 2a: Average growth rate resulting from RHNA

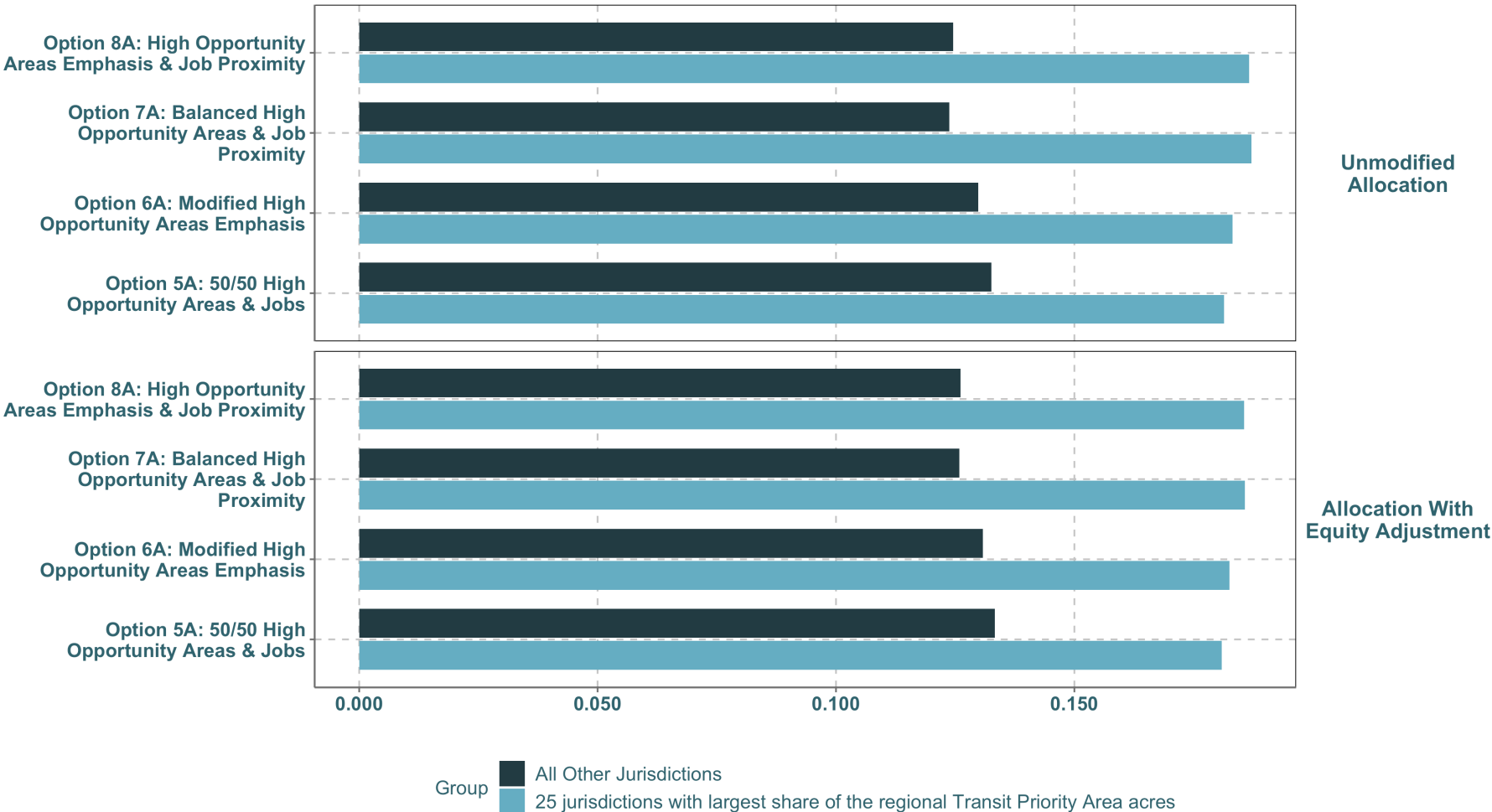
Metric 2a: Do the jurisdictions with the most jobs have the highest growth rates?



Objective 2: promote infill development, efficient development, and GHG reduction

Metric 2b: Average growth rate resulting from RHNA

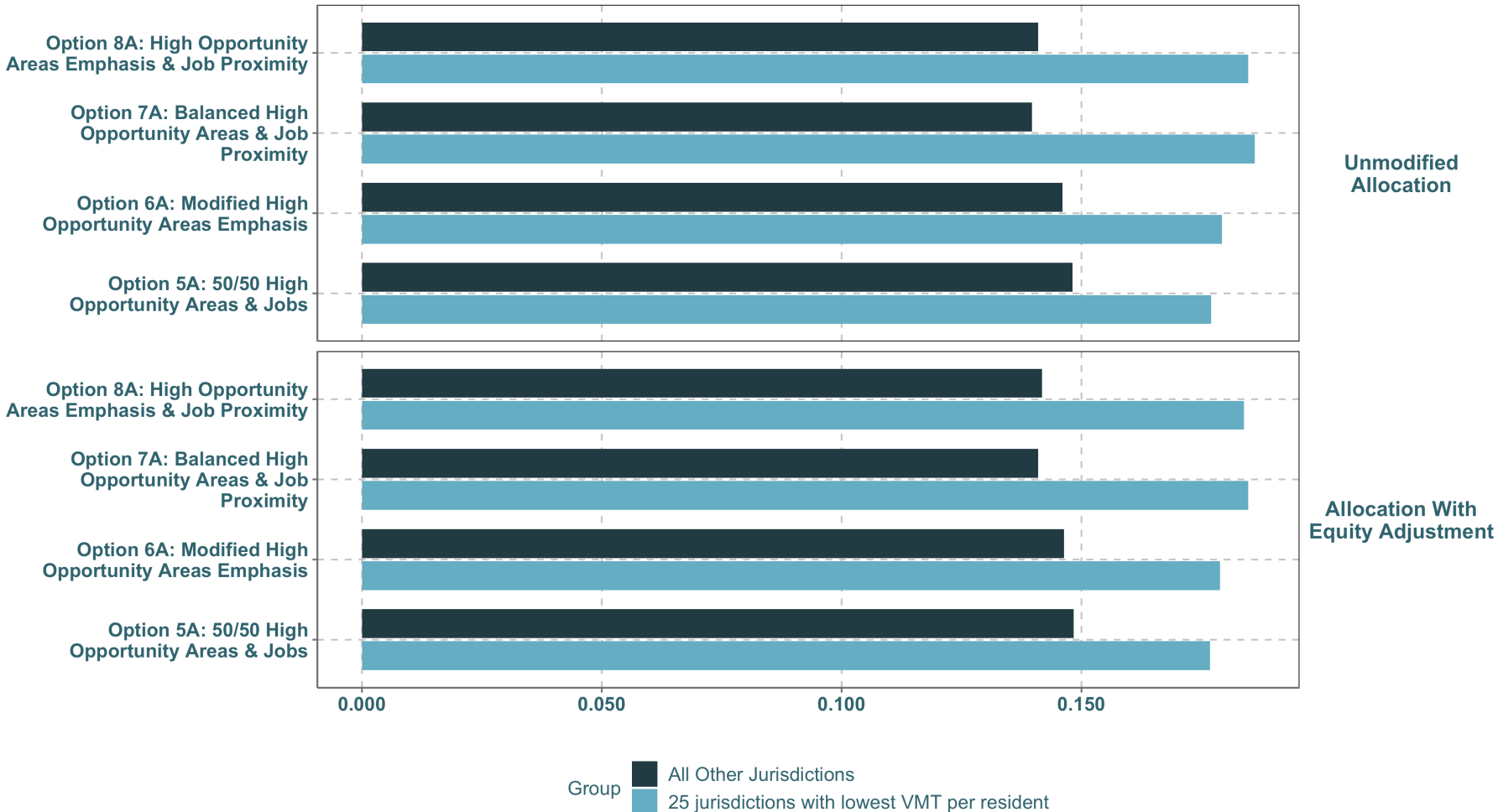
Metric 2b: Do the jurisdictions with the most transit access have the highest growth rates?



Objective 2: promote infill development, efficient development, and GHG reduction

Metric 2c: Average growth rate resulting from RHNA

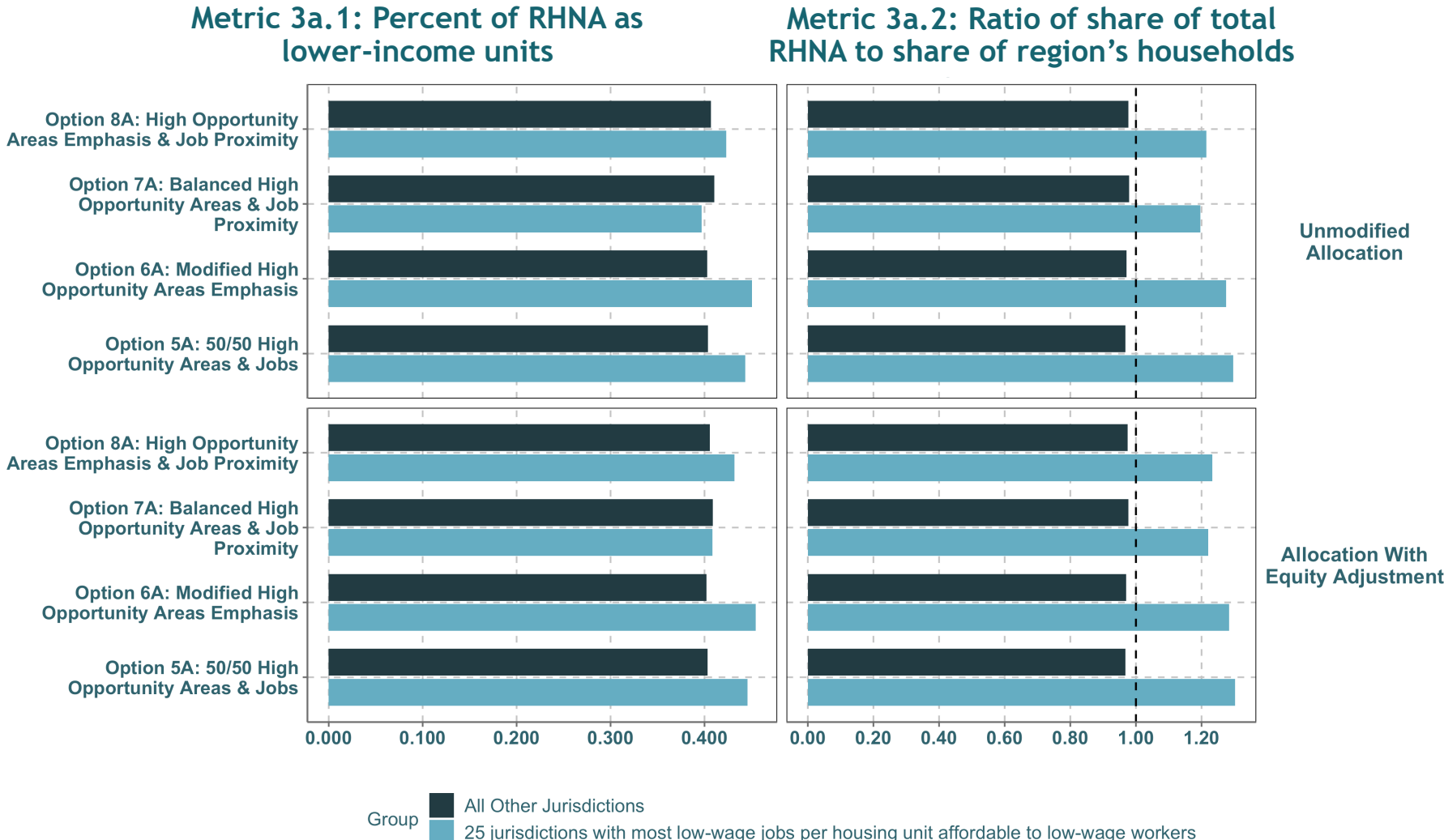
Metric 2c: Do the jurisdictions with the lowest VMT per resident have the highest growth rates?



Objective 3: promote better relationship between jobs and housing, particularly jobs-housing fit

Metric 3a.1: Do the jurisdictions with the least balanced jobs-housing fit receive a large percent of their RHNA as lower-income units?

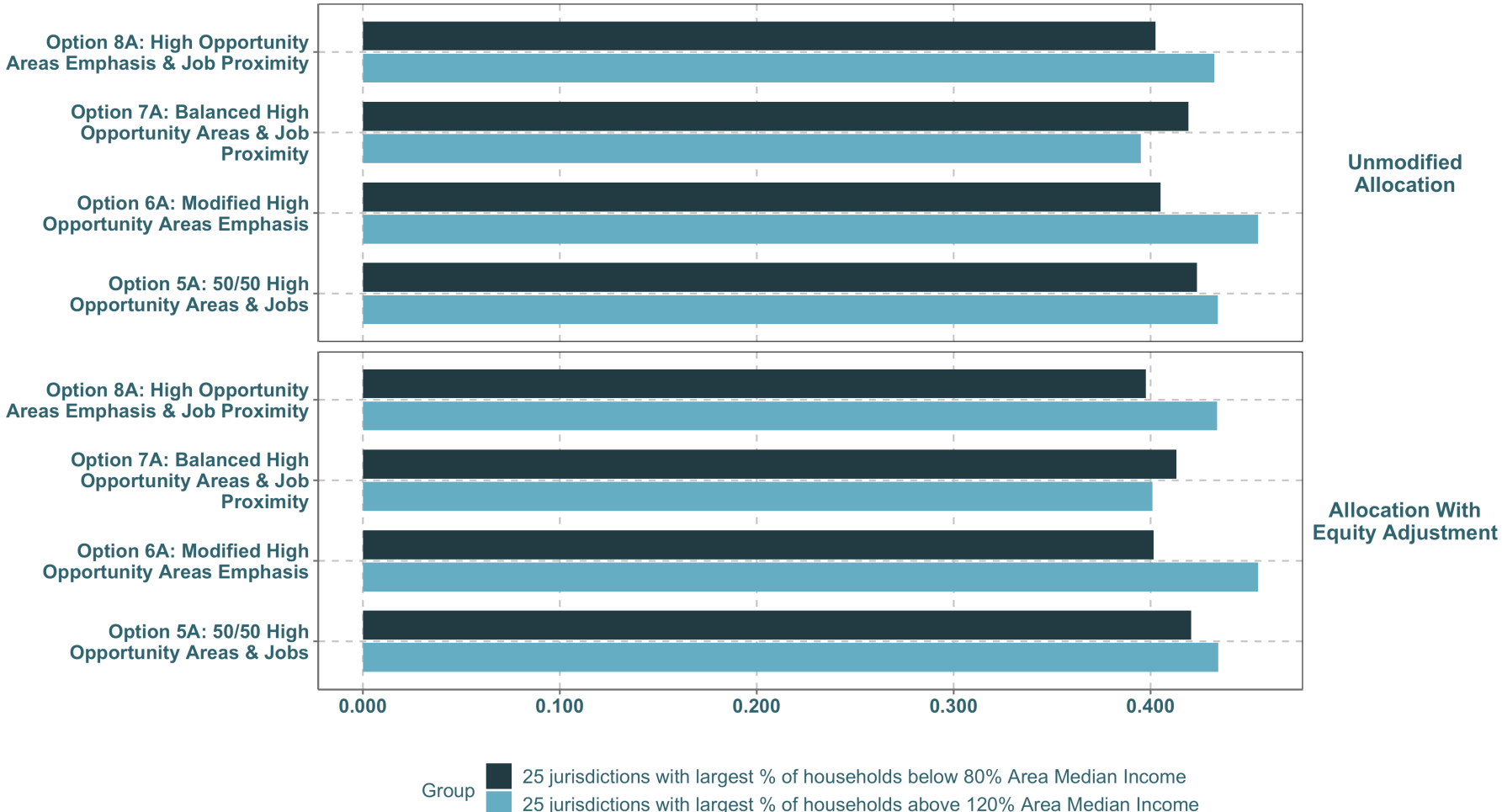
Metric 3a.2: Do the jurisdictions with the least balanced jobs-housing fit receive allocations proportional to share of households?



Objective 4: balance existing disproportionate concentrations of income categories

Metric 4:
Do the most disproportionately high-income jurisdictions receive a greater share of affordable housing than the most disproportionately low-income jurisdictions?

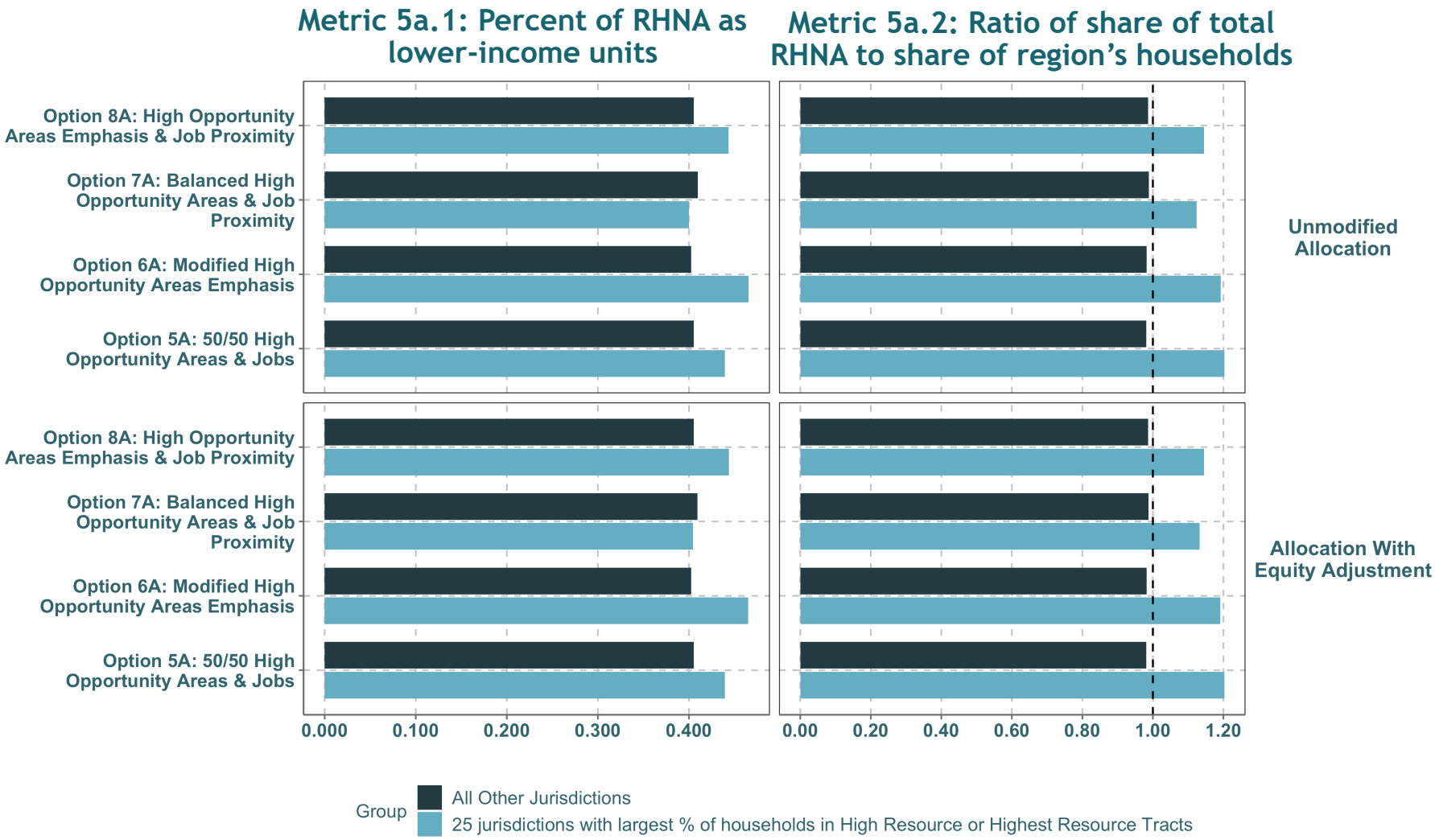
Metric 4: Percent of RHNA as lower-income units



Objective 5: affirmatively further fair housing

Metric 5a.1: Do the jurisdictions with the most access to resources receive a large percent of their RHNA as lower-income units?

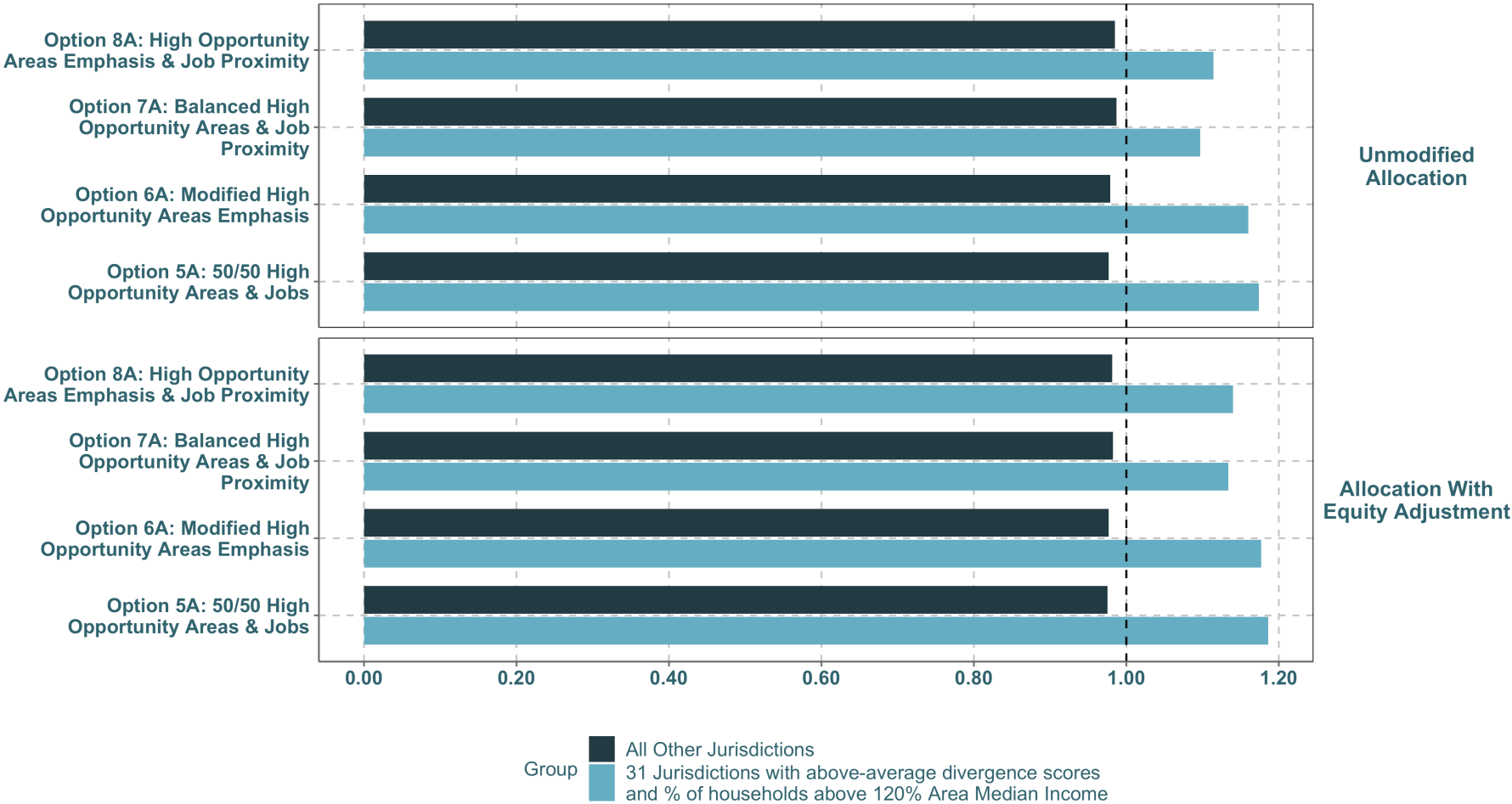
Metric 5a.2: Do the jurisdictions with the most access to resources receive allocations proportional to share of households?



Objective 5: affirmatively further fair housing

Metric 5b: Do the jurisdictions exhibiting racial and economic exclusion receive allocations proportional to share of households?

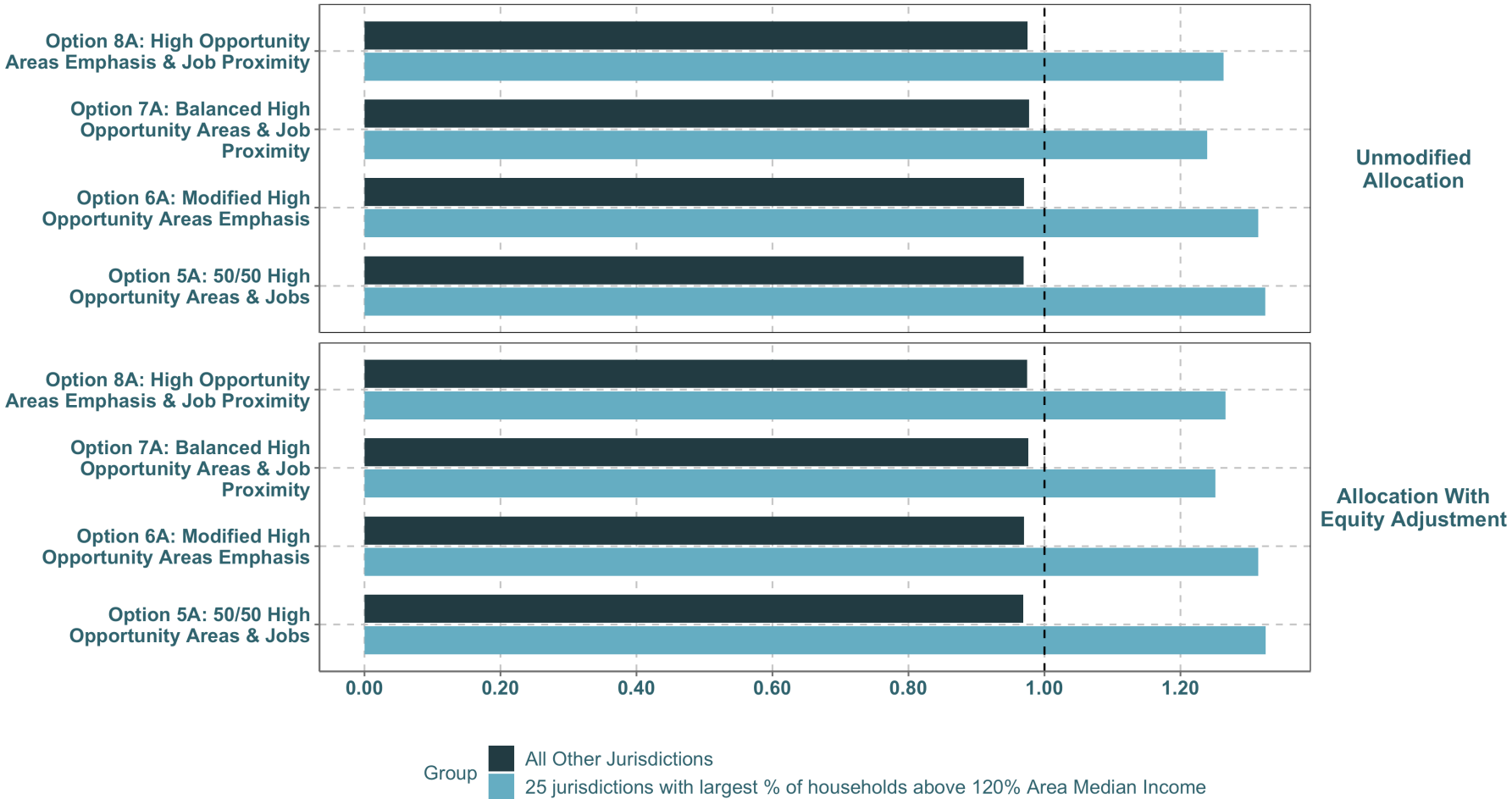
Metric 5b: Ratio of share of total RHNA to share of region’s households



Objective 5: affirmatively further fair housing

Metric 5c:
Do the most disproportionately high-income jurisdictions receive allocations proportional to share of households?

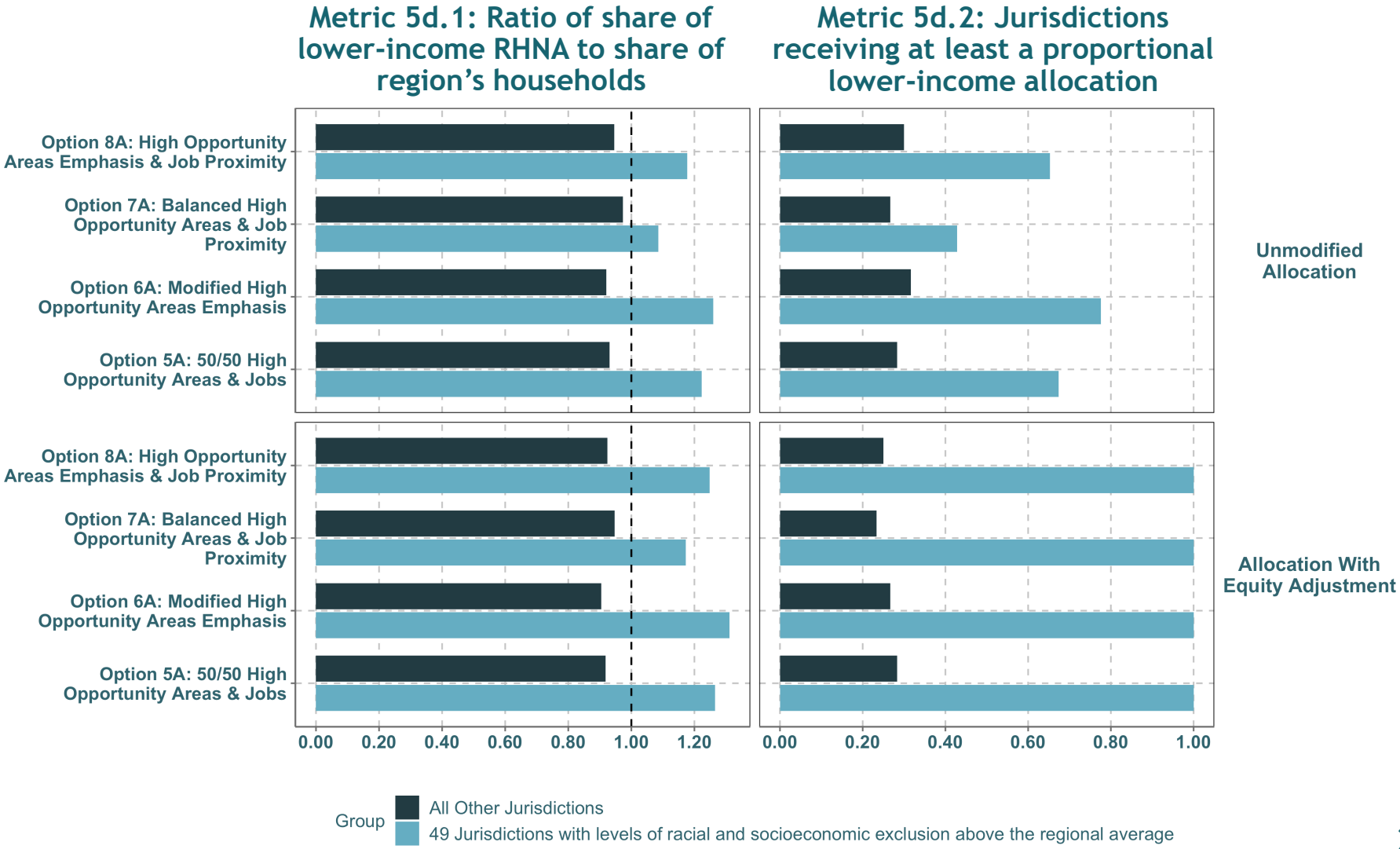
Metric 5c: Ratio of share of total RHNA to share of region’s households



Objective 5: affirmatively further fair housing

Metric 5d.1:
Do jurisdictions with above-average racial and economic exclusion receive a *total* share of lower-income units at least proportional to their *total* share of households?

Metric 5d.2:
Does *each* jurisdiction with above average racial and economic exclusion receive a share of lower-income units at least proportional to its share of households?



Staff recommendations

1. The HMC should move forward with **Option 6A: Modified High Opportunity Areas Emphasis** because it appears to perform best across all metrics
 - Performs particularly well on metrics for Objective 1, Objective 3, Objective 4, and Objective 5, especially when considering both the share of lower-income units and the total unit allocations
 - Outperforms other methodology options on the new metric proposed by HMC members for Objective 5
2. **Do not use the equity adjustment** proposed by HMC members in the RHNA methodology
 - Increases complexity of the methodology for minimal impact
 - Outcomes not necessarily aligned with HMC policy priorities
 - Resulting allocations only based on demographics, not other factors in the methodology

Discussion

- Discussion among HMC members to identify final recommendation on proposed RHNA methodology



PUBLIC COMMENT

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WRAP UP AND NEXT STEPS

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