



Regional Housing Needs Allocation (RHNA) Proposed Methodology

ABAG Regional
Planning Committee
October 1, 2020

RHNA methodology development process

- RHNA methodology must meet five statutory objectives and be consistent with the development pattern from Plan Bay Area 2050
- Housing Methodology Committee has been meeting since October 2019 to work collaboratively to recommend a proposed methodology for allocating units throughout the Bay Area in an equitable manner
- Guided by performance evaluation metrics based on how HCD has evaluated other regions' methodologies

HMC guiding principles

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 it

Building blocks of the proposed RHNA methodology

1. Baseline allocation: 2050 Households (Blueprint)

- Captures benefits of using Plan Bay Area 2050 Blueprint
- Middle ground between using Households 2019 and Housing Growth (Blueprint)

2. 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

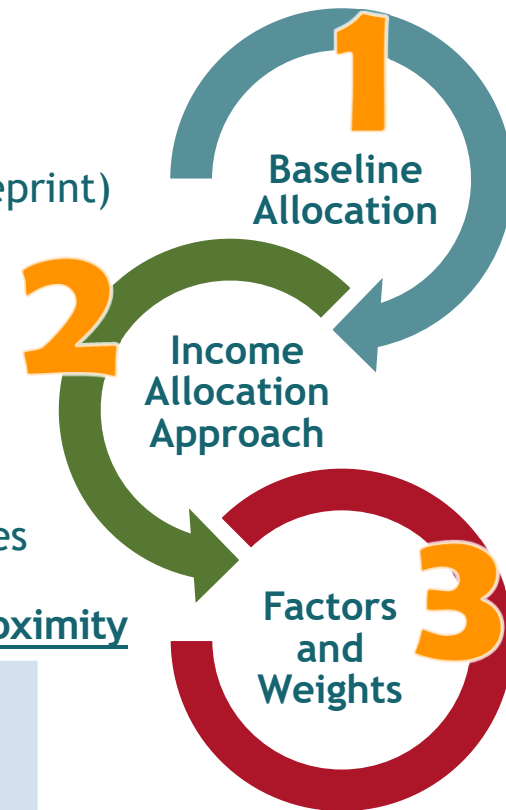
3. Factors and weights: Option 8A: High Opportunity Areas Emphasis & Job Proximity

Very Low and Low

- 70% Access to High Opportunity Areas
- 15% Job Proximity - Auto
- 15% Job Proximity - Transit

Moderate and Above Moderate

- 40% Access to High Opportunity Areas
- 60% Job Proximity - Auto



Plan Bay Area 2050 and RHNA



Final Blueprint

Envisioned growth pattern at the county and sub-county levels over the next 30 years



RHNA

Housing allocations at the jurisdiction level over the next eight years; nexus with Housing Elements on local level



- Proposed RHNA methodology uses **Year 2050 Households from Blueprint** as baseline allocation
 - **Advances equity and sustainability outcomes** from Bay Area's long-range planning efforts
 - Directs growth to job centers, near transit; excludes areas with high fire risk, outside Urban Growth Boundaries
 - Considers both **current households and forecasted growth** from Plan Bay Area 2050
- **Methodology supports Blueprint focused growth pattern, adjusted to meet RHNA fair housing/equity goals**
 - Blueprint one component of proposed methodology: baseline adjusted based on RHNA factors/weights
 - Blueprint focuses growth in some high-resource areas near transit; RHNA considers all high-resource areas
- Updates to Final Blueprint between now and December 2020 could affect RHNA allocations

Proposed 2023-2031 RHNA Methodology Overview

Total Regional Housing Need
Determination (RHND) from HCD

441,176

STEP 1:
Group RHND
by income

VERY LOW
114,442

LOW
65,892

MODERATE
72,712

ABOVE MODERATE
188,130

STEP 2:
Factor weight =
units allocated
by factor

Allocation Factors for Very Low-
and Low-Income Units

70% Access to High
Opportunity Areas
(AHOAs)

126,234

15% Job
Proximity – Auto
(JPA)

27,050

15% Job
Proximity – Transit
(JPT)

27,050

Allocation Factors for Moderate-
and Above Moderate-Income Units

40% Access to High
Opportunity Areas
(AHOAs)

104,337

60% Job
Proximity – Auto
(JPA)

156,505

STEP 3:
Calculate
jurisdiction's
units from
each factor

Jurisdiction score
on AHOAs factor

Jurisdiction score
on JPA factor

Jurisdiction score
on JPT factor

Jurisdiction score
on AHOAs factor

Jurisdiction score
on JPA factor

JURISDICTION BASELINE ALLOCATION

Share of households in Year 2050 from Plan Bay Area 2050 Blueprint

Allocation of **VERY LOW**
and **LOW** Units

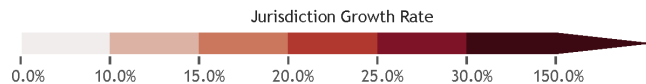
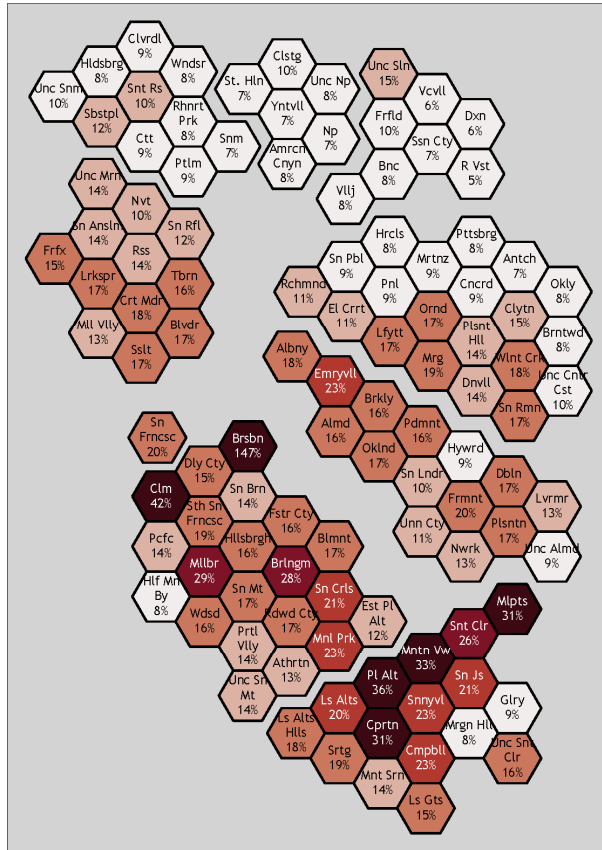
Allocation of **MODERATE** and
ABOVE MODERATE Units

**TOTAL
JURISDICTION
ALLOCATION**

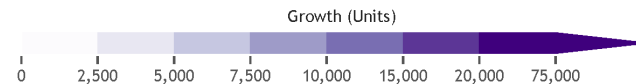
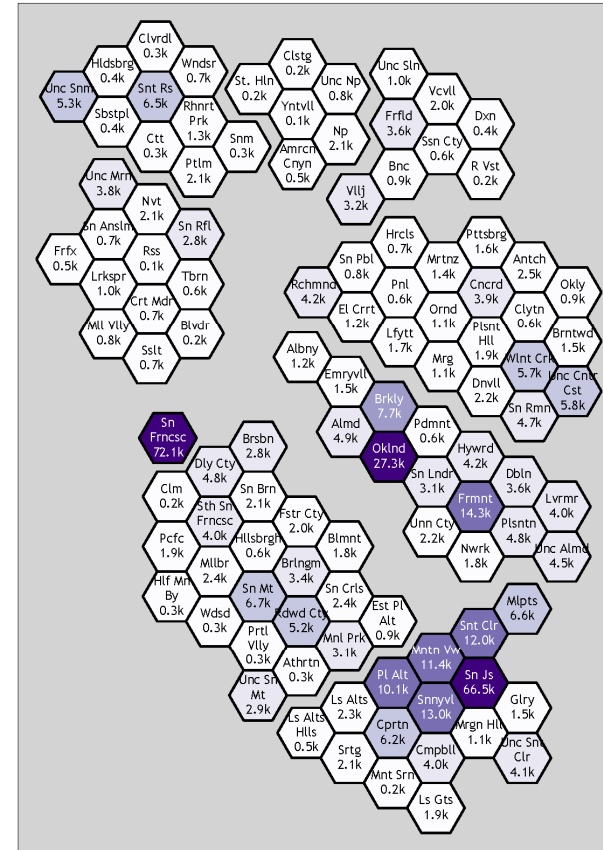


Illustrative allocations from proposed methodology

Jurisdiction
Growth Rate
from 2019
households as a
result of 2023-
2031 RHNA



Jurisdiction
Total Allocation
of 2023-2031
RHNA units



Illustrative allocations by county

	2023-2031 RHNA units (Cycle 6)	Share of 2023-2031 RHNA (Cycle 6)	Share of 2015-2023 RHNA (Cycle 5)	Share of Bay Area households (2019)
Alameda	85,689	19%	23%	21%
Contra Costa	43,942	10%	11%	14%
Marin	14,160	3%	1%	4%
Napa	3,816	1%	1%	2%
San Francisco	72,080	16%	15%	13%
San Mateo	48,490	11%	9%	10%
Santa Clara	143,550	33%	31%	24%
Solano	11,906	3%	4%	5%
Sonoma	17,543	4%	4%	7%
BAY AREA	441,176	100%	100%	100%

HMC discussion at final meeting

- Opted not to include equity adjustment for lower-income allocations
- Reiterated its commitment to using the 2050 Households (Blueprint) baseline
- Confirmed that incorporating the Blueprint in the RHNA methodology is the best strategy for addressing natural hazards, rather than including as a methodology factor
- Moved forward with Option 8A because of its balance between factors related to High Opportunity Areas and Job Proximity
- Did not change methodology for unincorporated areas, pending agreements among local governments

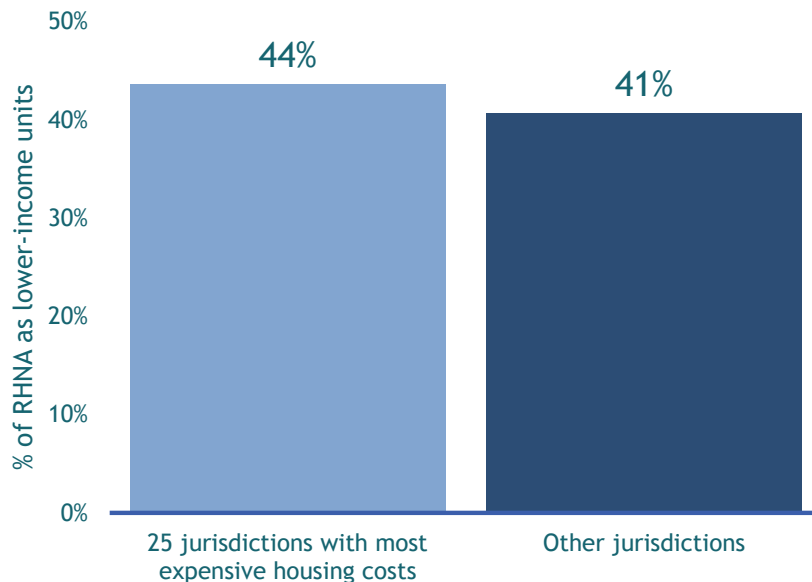
Consistency between RHNA and Plan Bay Area

- Staff compared the RHNA allocation results from the proposed methodology to 30-year housing growth forecasts from the Plan Bay Area 2050 Draft Blueprint at the county and subcounty levels
- There were no consistency issues

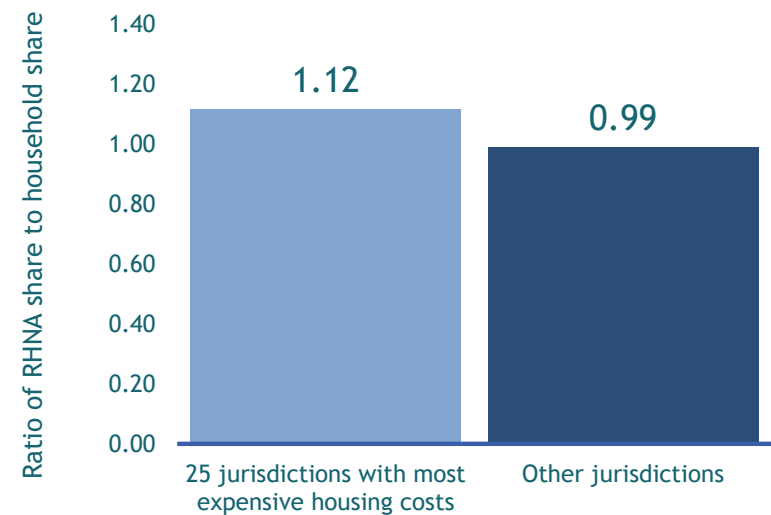
Evaluation results for proposed methodology

Objective 1: Does the allocation increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner?

Metric 1a.1: Do jurisdictions with the most expensive housing costs receive a significant percentage of their RHNA as lower-income units?



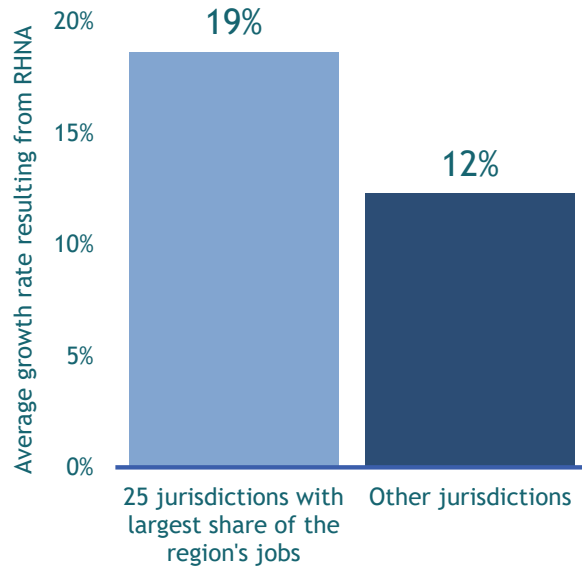
Metric 1a.2: Do jurisdictions with the most expensive housing costs receive a share of the region's housing need that is at least proportional to their share of the region's households?



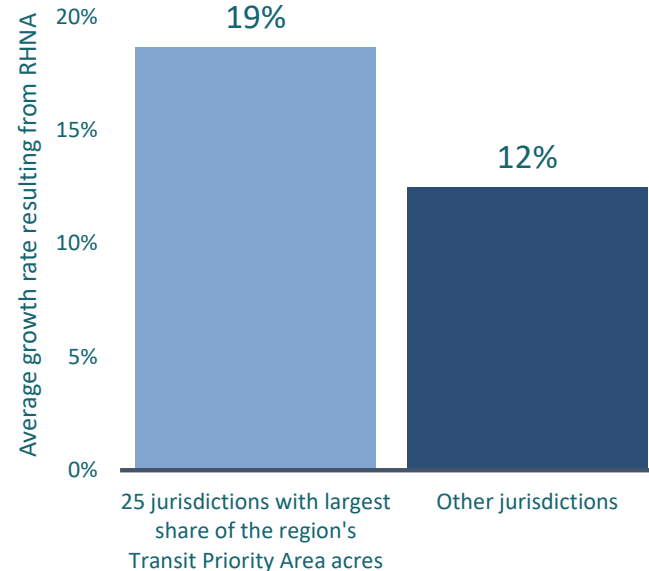
Evaluation results for proposed methodology

Objective 2: Does the allocation promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets?

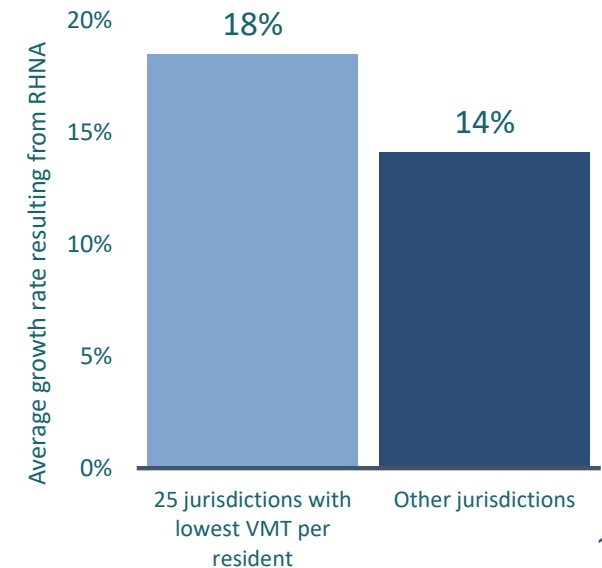
Metric 2a: Do jurisdictions with the largest share of the region's jobs have the highest growth rates resulting from RHNA?



Metric 2b: Do jurisdictions with the largest share of the region's Transit Priority Area acres have the highest growth rates resulting from RHNA?



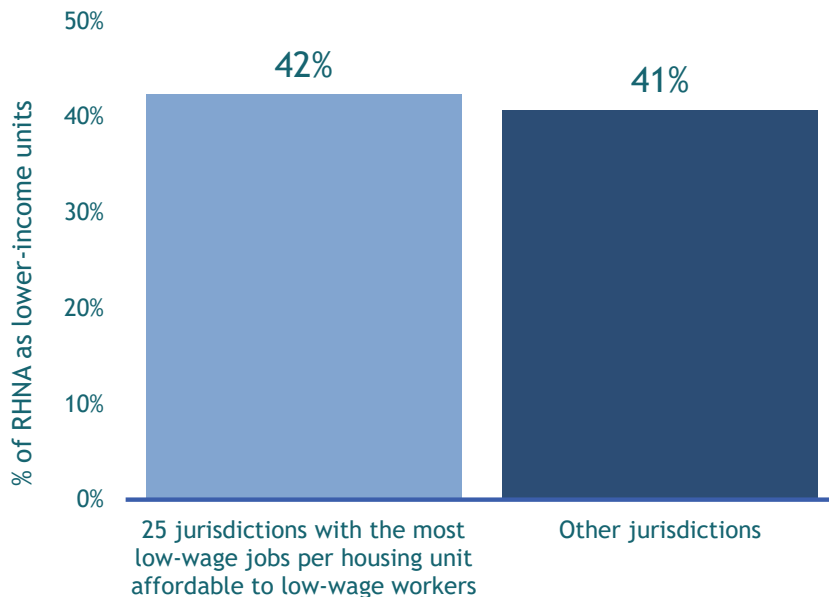
Metric 2c: Do jurisdictions with the lowest vehicle miles traveled (VMT) per resident have the highest growth rates resulting from RHNA?



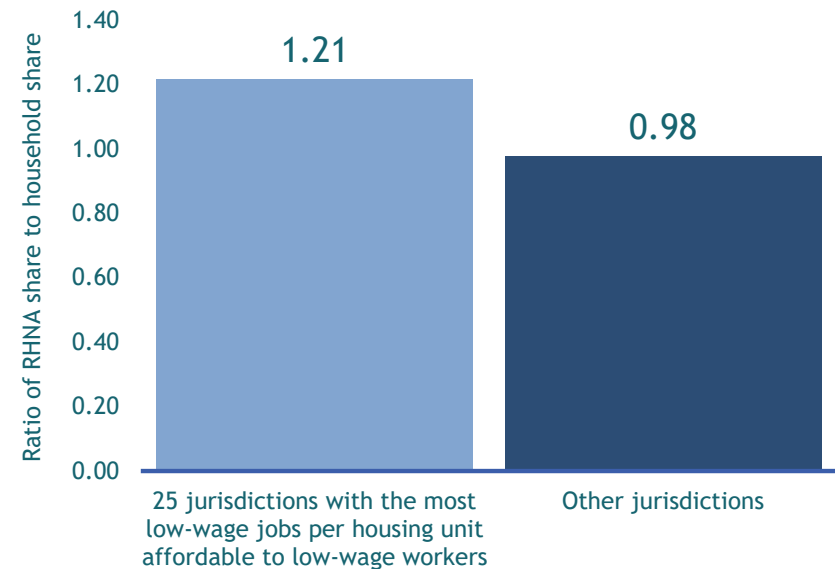
Evaluation results for proposed methodology

Objective 3: Does the allocation promote an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low wage workers in each jurisdiction?

Metric 3a.1: 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?



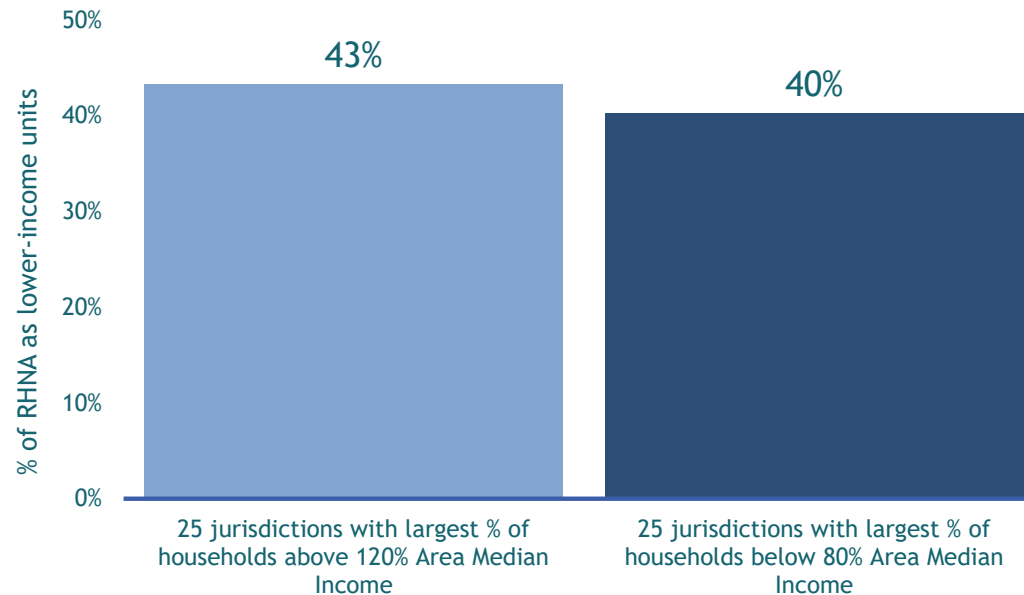
Metric 3a.2: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a share of the region's housing need that is at least proportional to their share of the region's households?



Evaluation results for proposed methodology

Objective 4: Does the allocation direct 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?

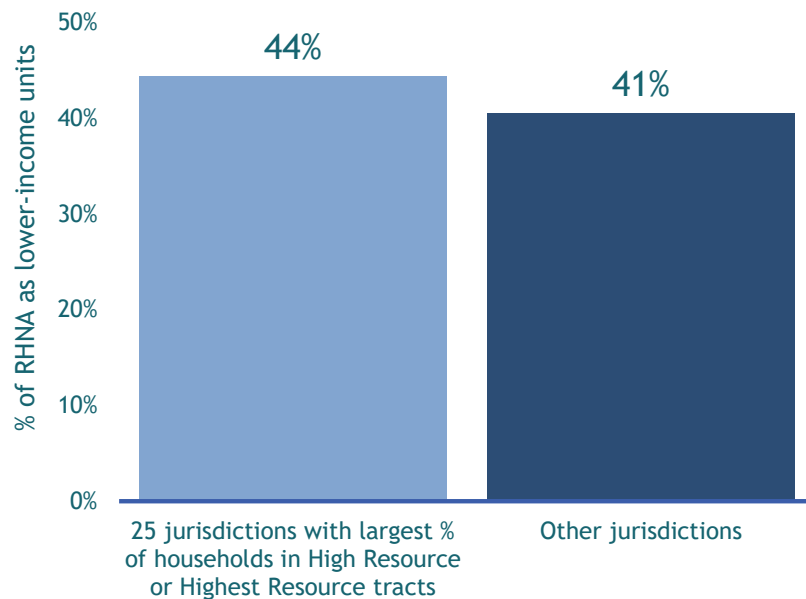
Metric 4: Do jurisdictions with the largest percentage of high-income residents receive a larger share of their RHNA as lower-income units than jurisdictions with the largest percentage of low-income residents?



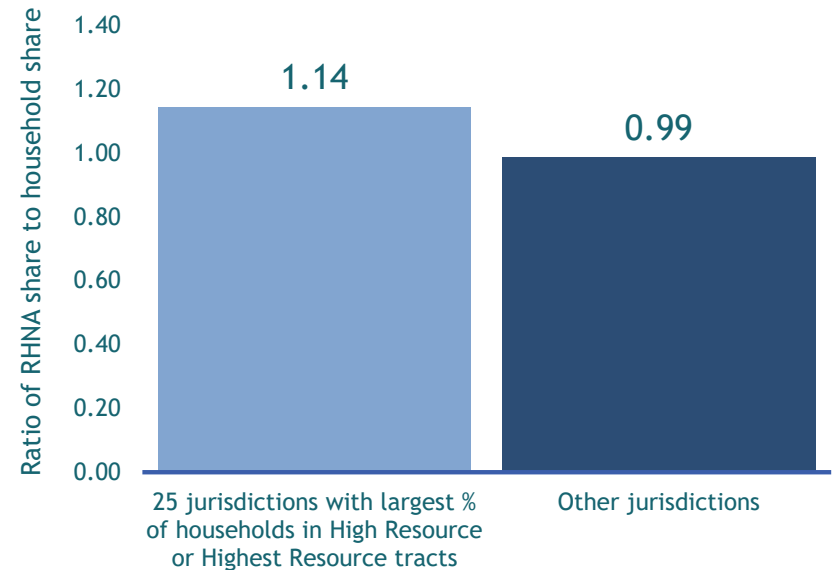
Evaluation results for proposed methodology

Objective 5: Does the allocation affirmatively further fair housing?

Metric 5a.1: Do jurisdictions with the largest percentage of households living in High or Highest Resource census tracts receive a significant percentage of their RHNA as lower-income units?



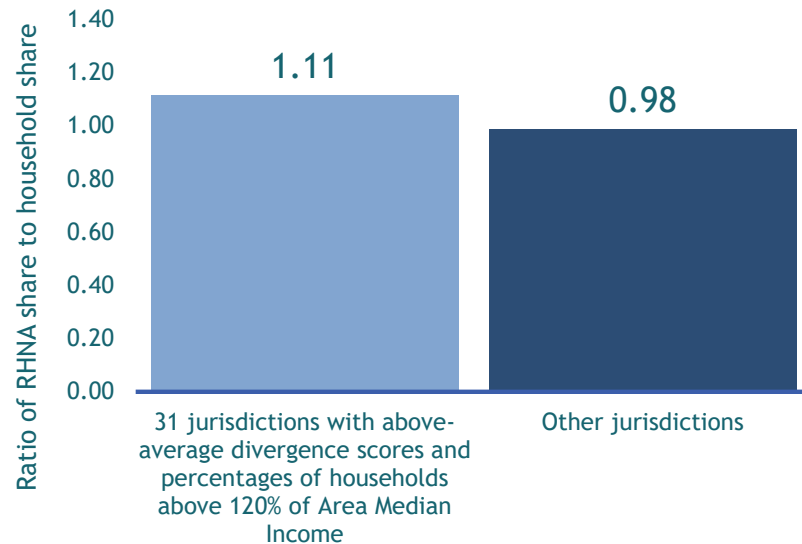
Metric 5a.2: Do jurisdictions with the largest percentage of households living in High or Highest Resource census tracts receive a share of the region's housing need that is at least proportional to their share of the region's households?



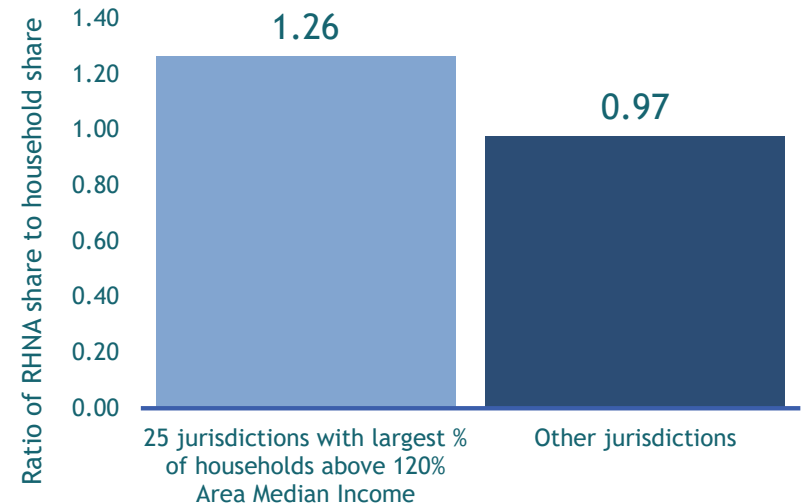
Evaluation results for proposed methodology

Objective 5: Does the allocation affirmatively further fair housing?

Metric 5b: Do jurisdictions exhibiting racial and economic exclusion receive a share of the region's housing need that is at least proportional to their share of the region's households?



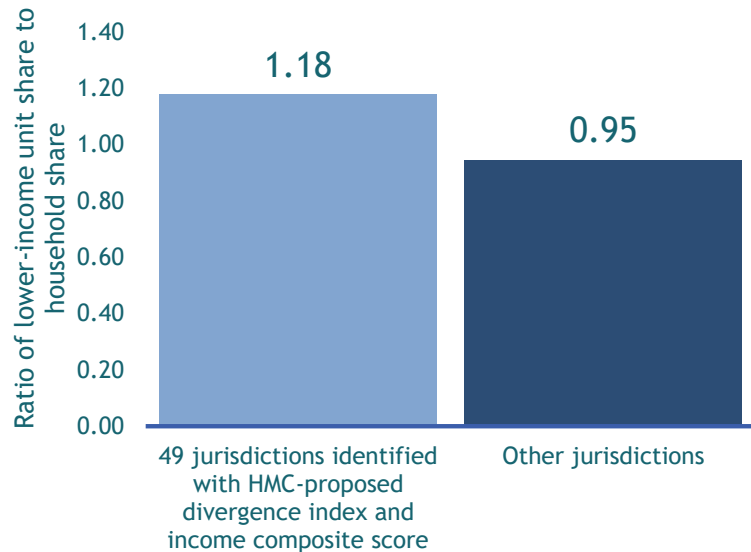
Metric 5c: Do jurisdictions with the largest percentage of high-income residents receive a share of the region's housing need that is at least proportional to their share of the region's households?



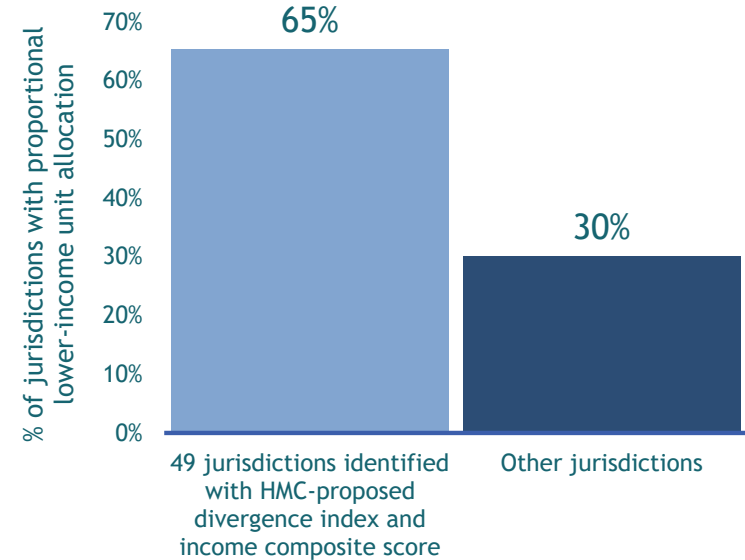
Evaluation results for proposed methodology

Objective 5: Does the allocation affirmatively further fair housing?

Metric 5d.1: Do jurisdictions exhibiting racial and economic exclusion above the regional average receive a total share of the region's very low- and low-income housing need that is at least proportional to their total share of the region's households?



Metric 5d.2: Do most jurisdictions exhibiting racial and economic exclusion above the regional average receive a share of the region's very low- and low-income housing need that is at least proportional to the jurisdiction's share of the region's households?



Next steps

Task	Date
RPC recommends proposed methodology to Executive Board	October 1, 2020
Executive Board approves release of proposed methodology and draft subregion shares for 30-day public comment period	October 15, 2020
Public hearing on proposed methodology and draft subregion shares	Fall 2020
RPC recommends draft methodology to Executive Board	December 2020
Executive Board approves draft allocation methodology to submit to HCD	December 2020
Executive Board approves subregion shares	December 2020

- *Following in 2021: final methodology, draft allocations, appeals process*

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