Appendix 3: Overview of RHNA Methodology Allocation Factors

The allocation factors serve as one of the main components of the RHNA methodology, and they adjust the baseline allocation assigned to each jurisdiction. These factors translate planning principles into housing numbers by using data for each jurisdiction related to the selected principle. **Table 1** provides an overview of the allocation factors selected by the HMC for inclusion in the proposed RHNA methodology and describes the data that drives each factor. Additional background information for each factor is discussed below.

Access to High Opportunity Areas Factor

The *Access to High Opportunity Areas* factor received the most consistent support throughout the methodology development process. This factor allocates more housing units to jurisdictions with a higher percentage of households living in areas labelled High Resource or Highest Resource on the [2020 Opportunity Map] produced by the California Tax Credit Allocation Committee (TCAC). This factor directly addresses the RHNA objective to affirmatively further fair housing by increasing access to opportunity and replacing segregated living patterns.[1] Although the *Access to High Opportunity Areas* factor does not explicitly incorporate racial demographics, it has the potential to expand housing opportunities for low-income households and people of color in more places where these communities have historically lacked access. Another practical strength of this factor is that HCD has consistently used the Opportunity Map to assess whether other regions' RHNA methodologies meet the objective to affirmatively further fair housing.

Job Proximity Factors

The two factors based on job proximity (*Job Proximity – Auto* and *Job Proximity – Transit*) consider the relationship between jobs and transportation. *Job Proximity – Auto* is based on jobs that can be accessed from a jurisdiction by a 30-minute auto commute, while *Job Proximity – Transit* is based on jobs that can be accessed from a jurisdiction within a 45-minute transit commute. These factors encourage more housing in jurisdictions with easy access to the region's job centers. Additionally, these factors use a commute shed to measure job access rather than solely considering the jobs present within a jurisdiction's boundaries. The idea behind using a commute shed is to better capture the lived experience of accessing jobs irrespective of jurisdiction boundaries. Housing and job markets extend beyond jurisdiction boundaries—in most cities, a majority of workers work outside their jurisdiction of residence, and demand for housing in a particular jurisdiction is substantially influenced by its proximity and accessibility to jobs in another community.

[1] See [Government Code Section 65584(e)].

Table 1: Factors Selected by the HMC for the Proposed RHNA Methodology

Fair Housing and Equity Factor	
Access to High Opportunity Areas	
Impact	More housing units allocated to jurisdictions with the most access to opportunity.
Definition	The percentage of a jurisdiction's households living in census tracts labelled High Resource or Highest Resource based on opportunity index scores.
Data source	HCD/TCAC 2020 Opportunity Maps[2]
Jobs Factors	
Job Proximity – Auto	
Impact	More housing allocated to jurisdictions with easy access to region's job centers.
Definition	Share of region's total jobs that can be accessed from a jurisdiction by a 30-minute auto commute.
Data source	MTC, Travel Model One, Model Run 2015_06_002
Job Proximity – Transit	
Impact	More housing allocated to jurisdictions with easy access to region's job centers.
Definition	Share of region's total jobs that can be accessed from a jurisdiction by a 45-minute transit commute.
Data source	MTC, Travel Model One, Model Run 2015_06_002

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[2] Opportunity Maps were developed by the HCD/TCAC as a way to allocate funding for affordable housing to areas whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families. The State's methodology required that 40 percent of tracts designated as rural be assigned to the high or highest resource category within each county. As a result, tracts could be classified as high resource tracts even with relatively low scores as long as they were counted as "rural." While this may make sense for allocating tax credits, for RHNA purposes, staff from the UC Berkeley's Othering and Belonging Institute who prepared the data for the State, issued a special tabulation to ABAG / MTC staff where rural areas are compared to the region instead of the county. This mostly affected Solano and Sonoma Counties, which had fewer rural tracts classified as high or highest resource areas. For more information on the Opportunity Map, see pages 10-13 of this document from the March 2020 HMC meeting's agenda packet.