



# Proposed RHNA Methodology Recommended by HMC and RPC

ABAG Executive Board  
October 15, 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



# Proposed RHNA methodology recommended by HMC and RPC

## 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

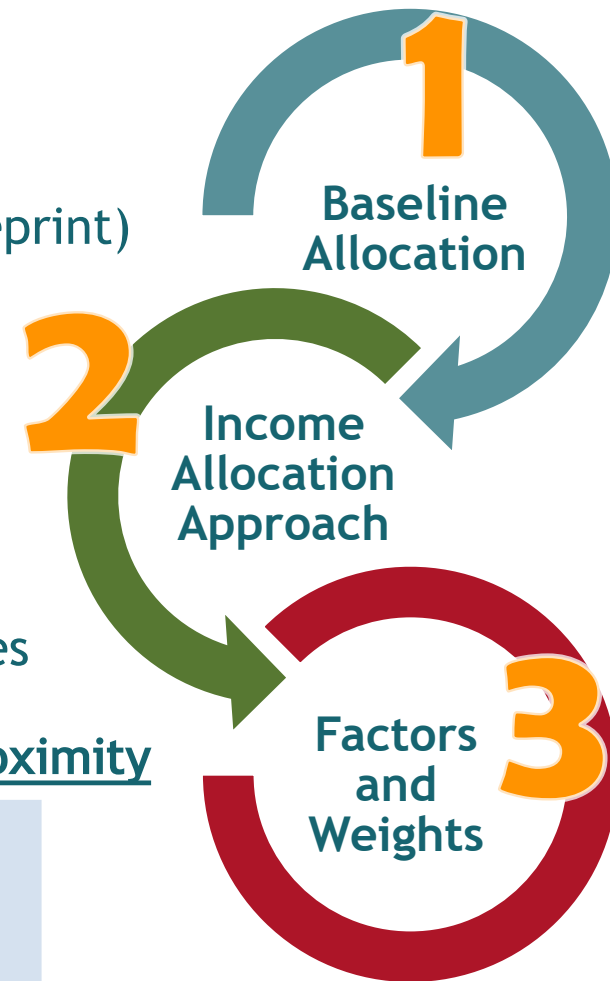
## 3. Factors and weights: Option 8A: High Opportunity Areas Emphasis & Job Proximity

### *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
- Final Blueprint growth pattern - slated for release in December 2020 - will affect RHNA allocations; key inputs (Strategies & Growth Geographies) were approved by ABAG Board and Commission in September 2020

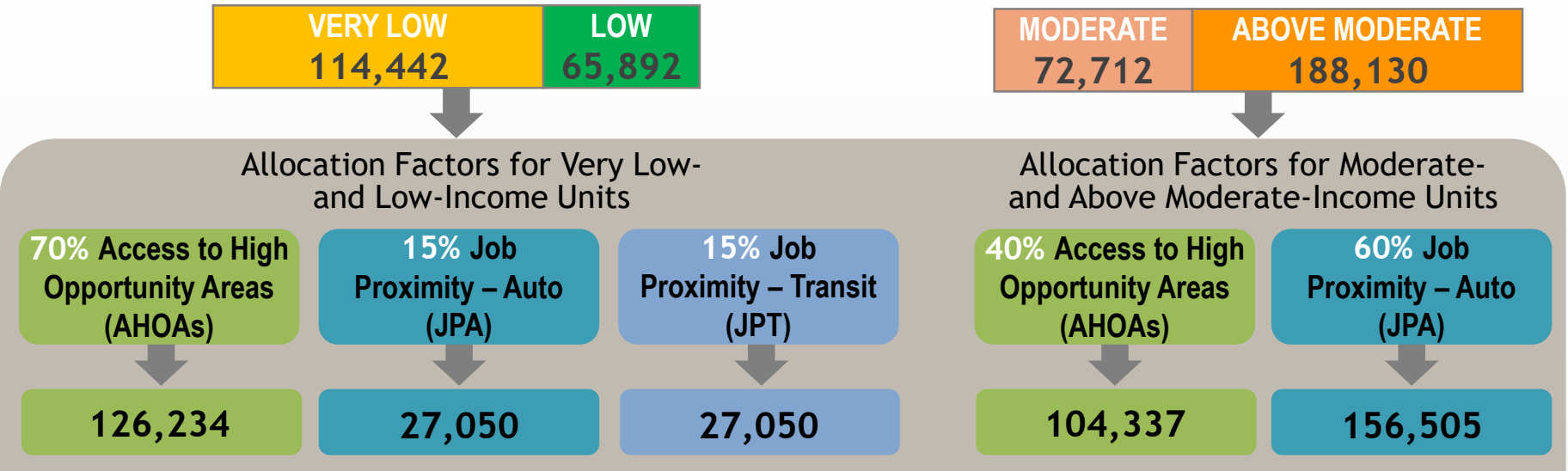


STEP 1:  
Group RHND  
by income

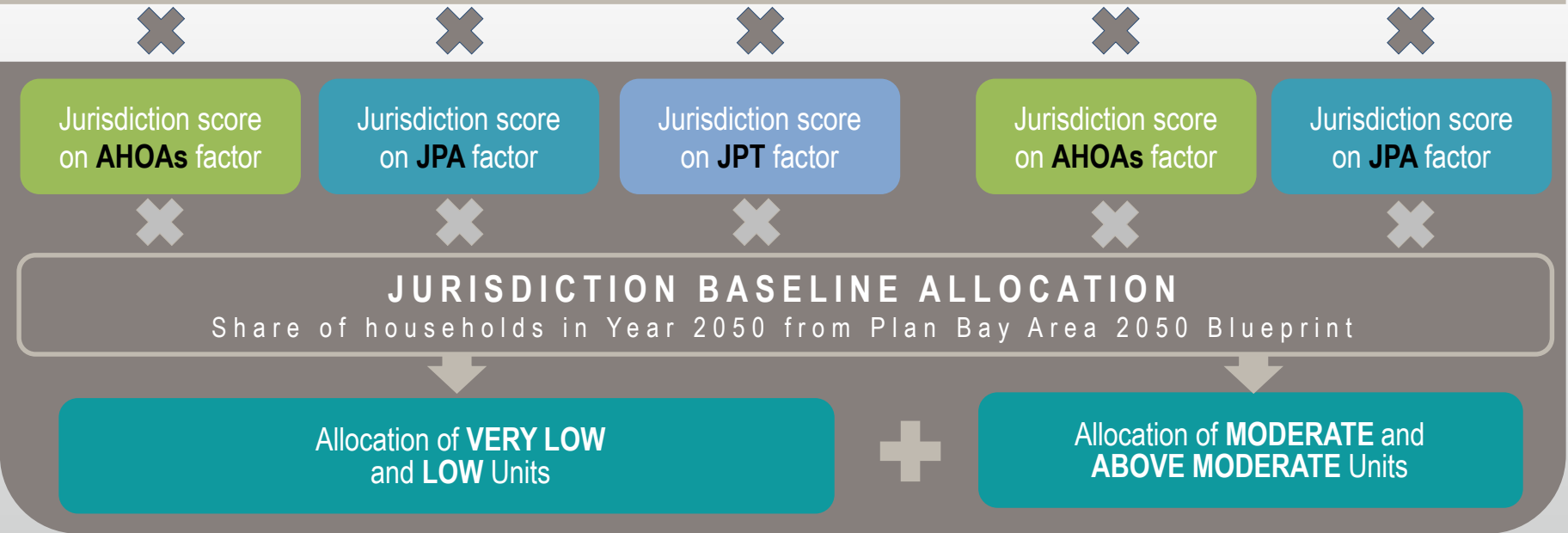
Total Regional Housing Need  
Determination (RHND) from HCD

441,176

STEP 2:  
Factor weight =  
units allocated  
by factor



STEP 3:  
Calculate  
jurisdiction's  
units from  
each factor

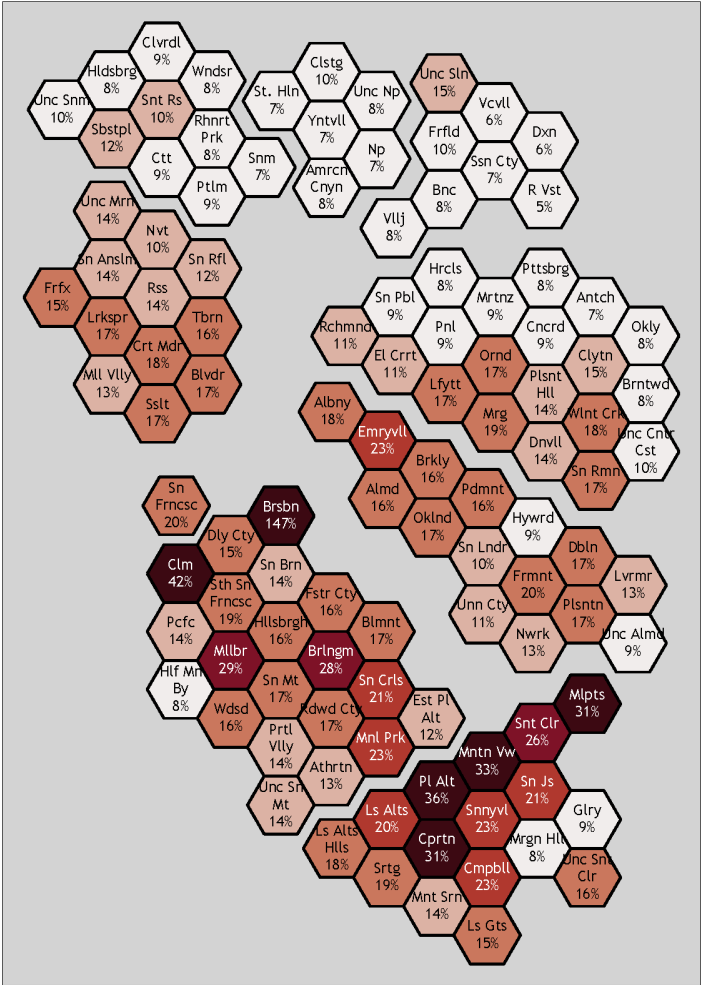


TOTAL  
JURISDICTION  
ALLOCATION

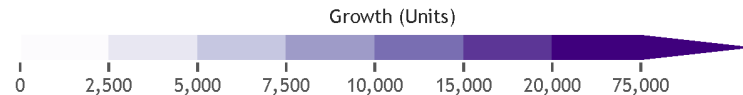
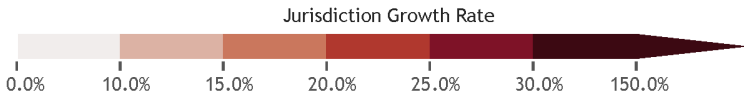
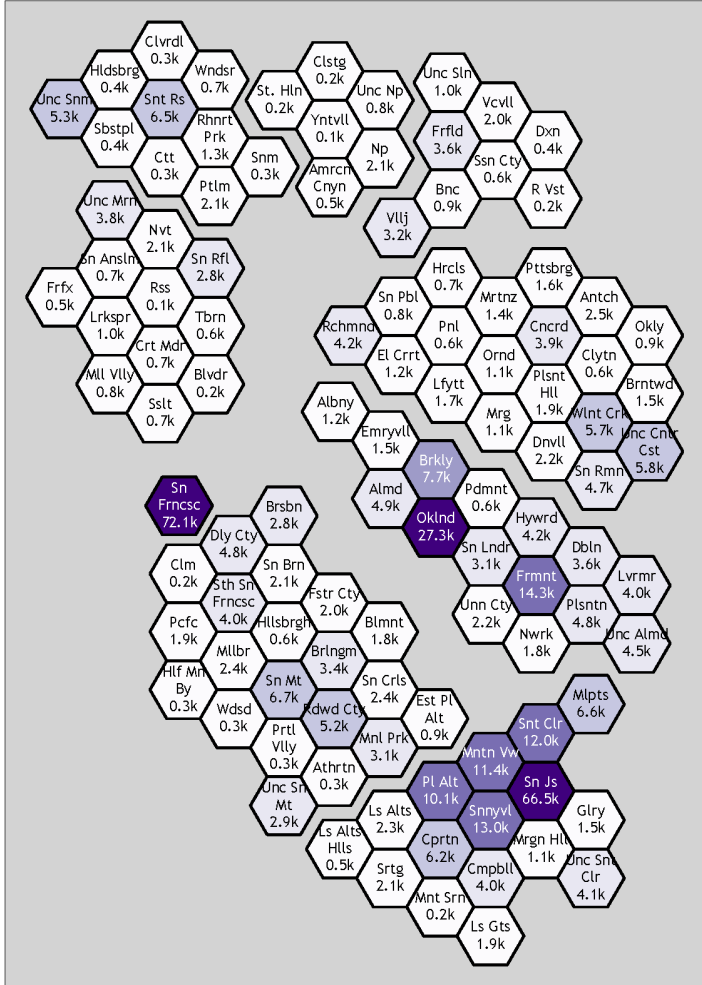


# Illustrative allocations from proposed methodology

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



Jurisdiction  
Total Allocation  
of 2023-2031  
RHNA units



See Appendix 1 for larger maps for proposed methodology



# 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)	Share of Bay Area jobs (2017)
Alameda	85,689	19%	23%	21%	20%
Contra Costa	43,942	10%	11%	14%	10%
Marin	14,160	3%	1%	4%	3%
Napa	3,816	1%	1%	2%	2%
San Francisco	72,080	16%	15%	13%	19%
San Mateo	48,490	11%	9%	10%	10%
Santa Clara	143,550	33%	31%	24%	27%
Solano	11,906	3%	4%	5%	4%
Sonoma	17,543	4%	4%	7%	5%
<b>BAY AREA</b>	<b>441,176</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# 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

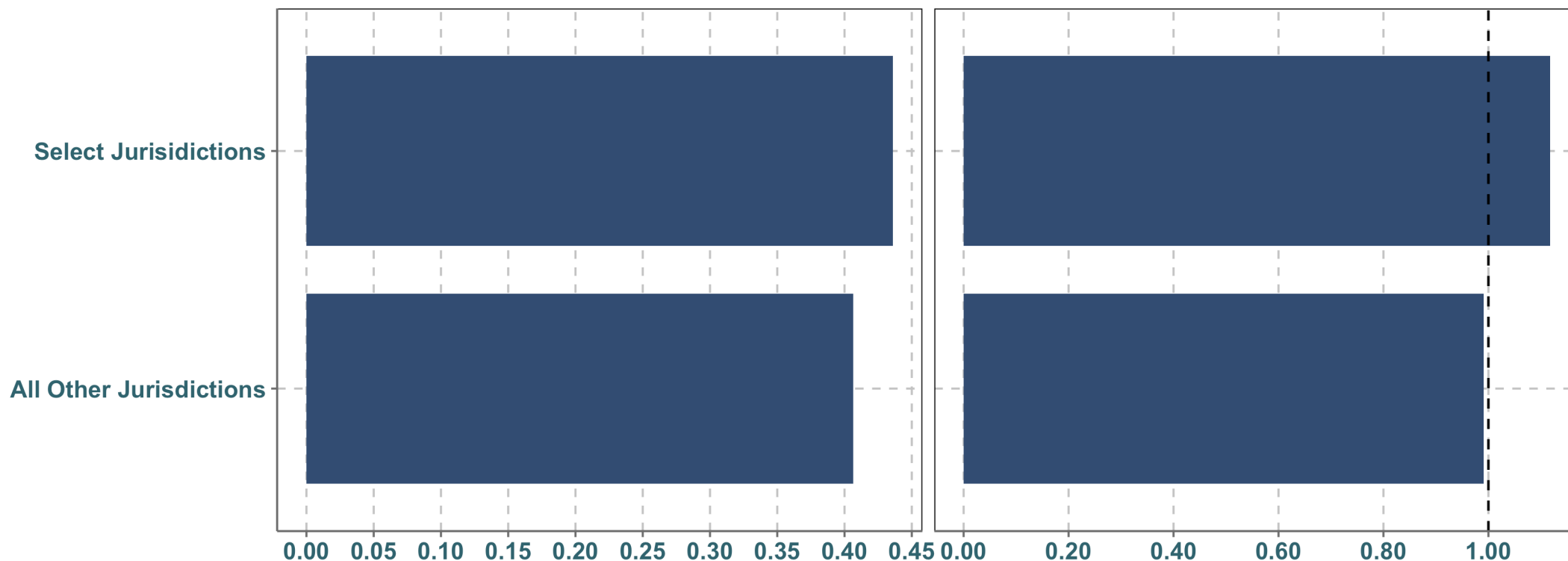




# Objective 1: increase the housing supply and the mix of housing types in an equitable manner

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?



Option 8A: HMC/RPC  
Recommendation

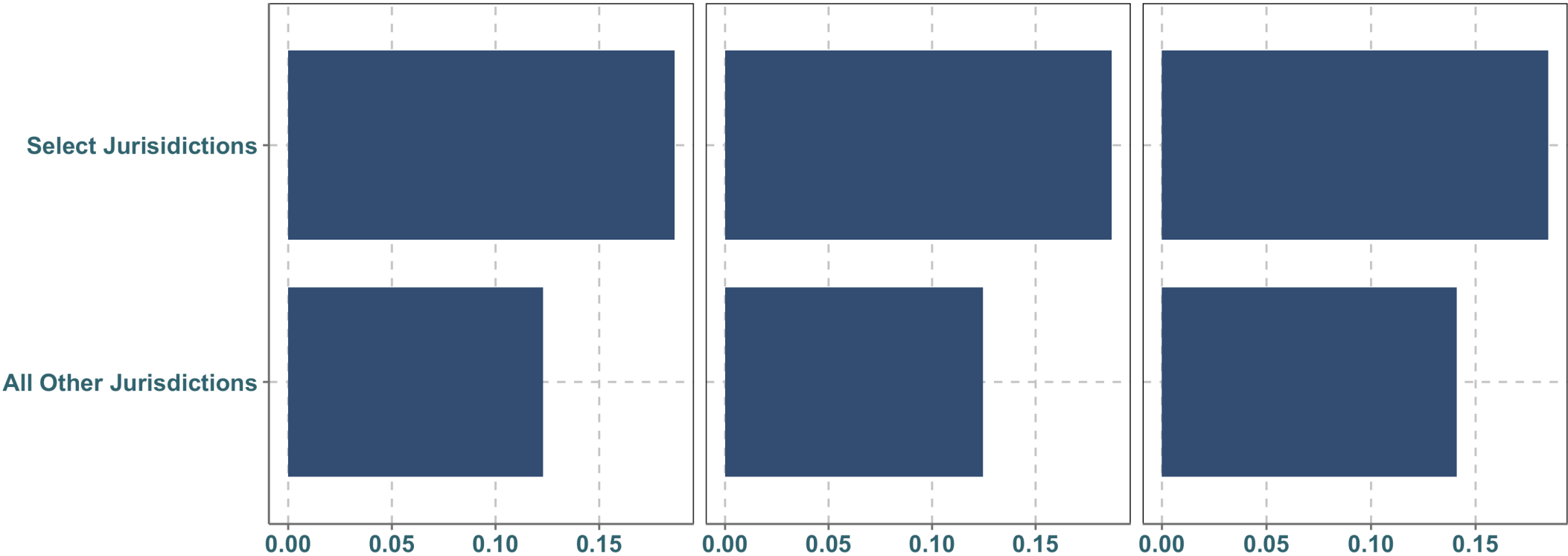


# Objective 2: promote infill development, efficient development, and GHG reduction

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

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

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

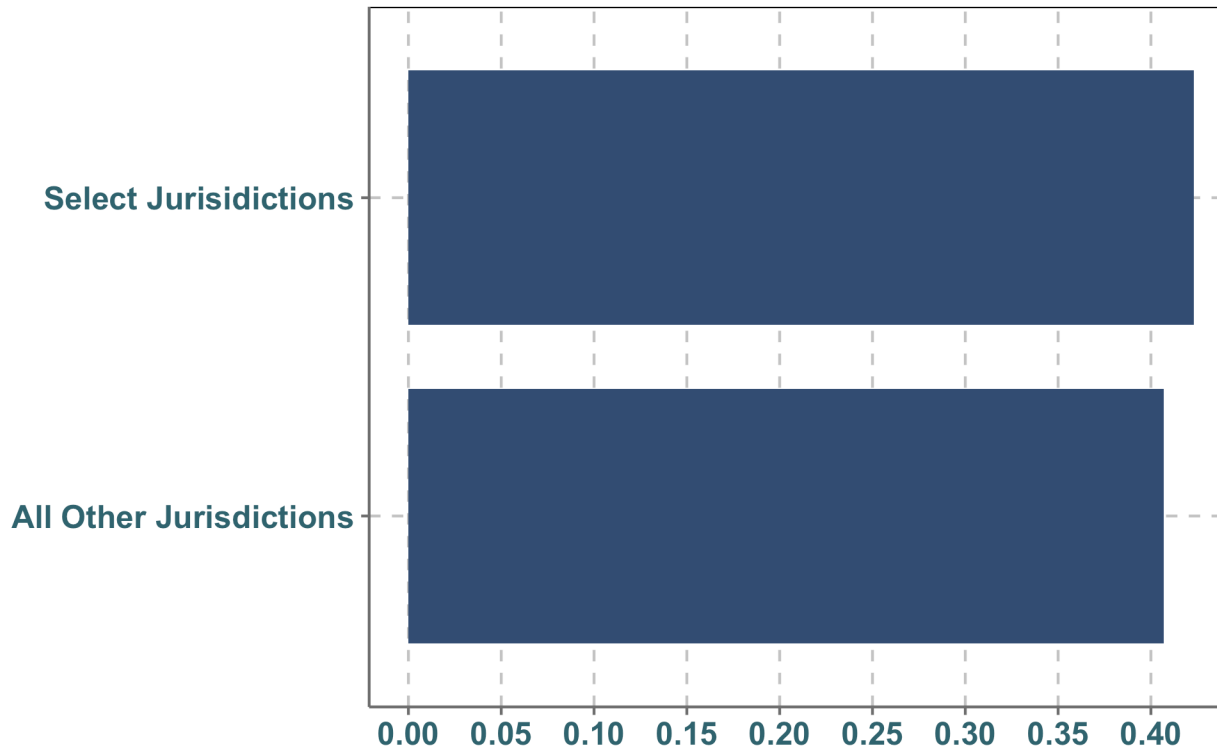


Option 8A: HMC/RPC Recommendation

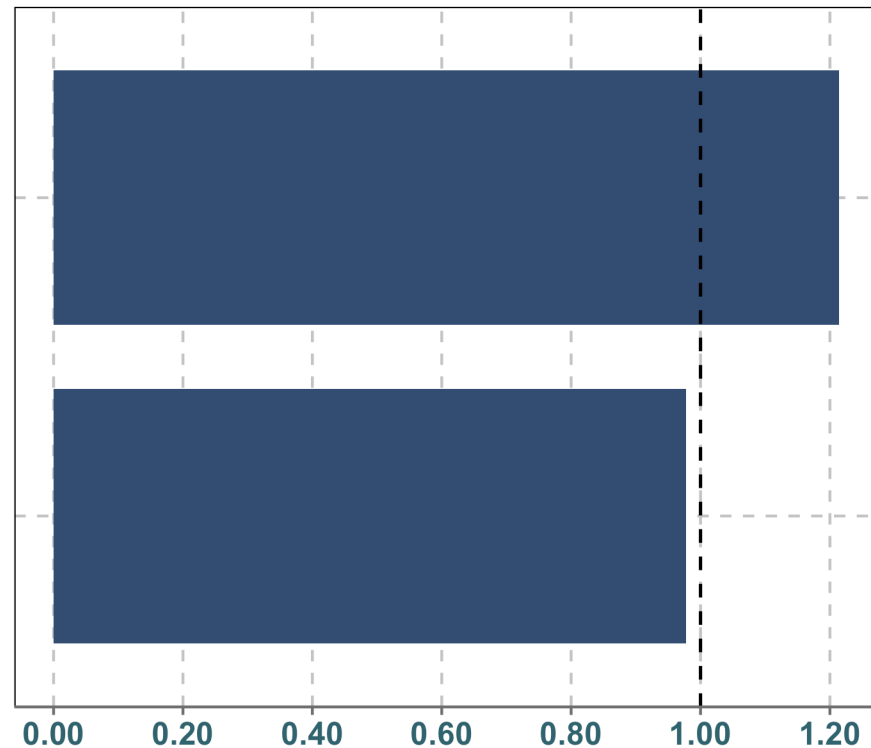


# Objective 3: promote better relationship between jobs and housing, particularly jobs-housing fit

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?

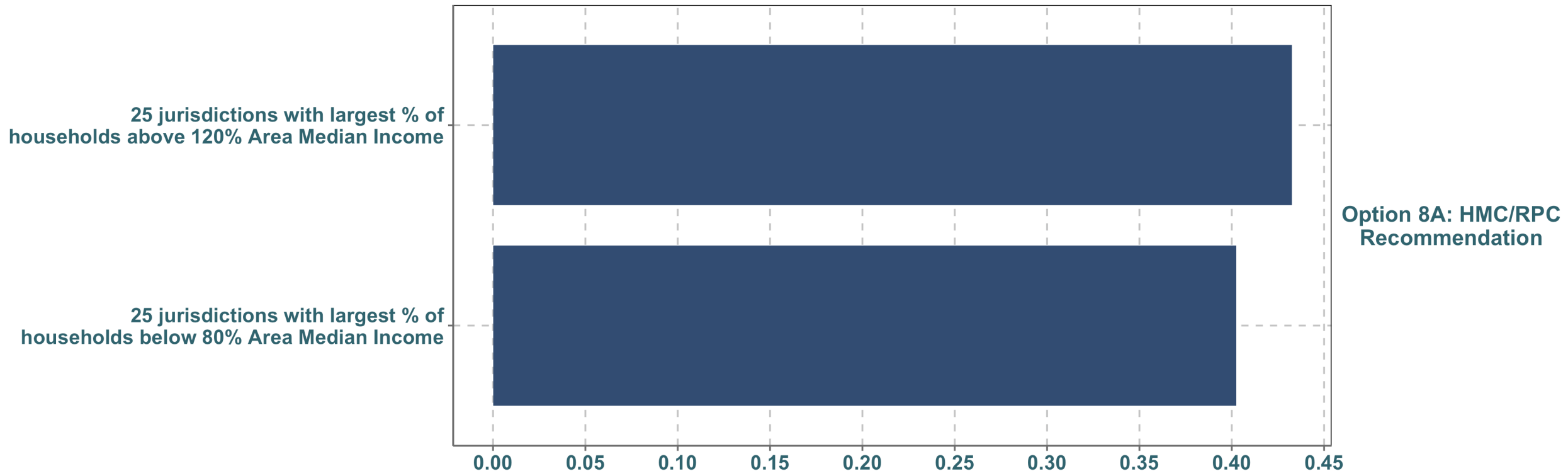


Option 8A: HMC/RPC  
Recommendation



# 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?

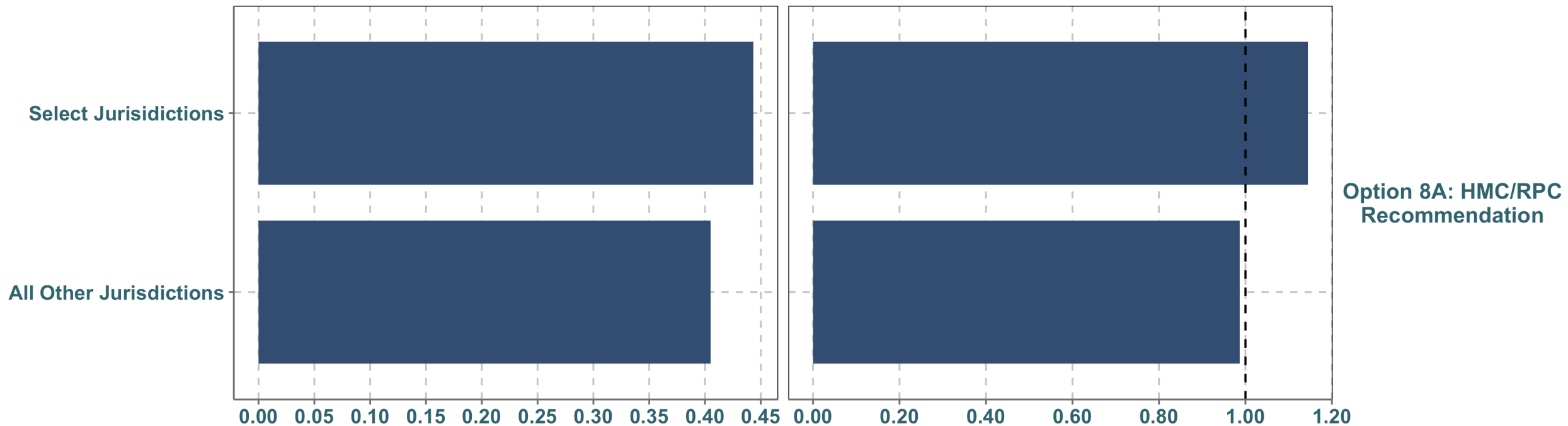




# Objective 5: affirmatively further fair housing

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

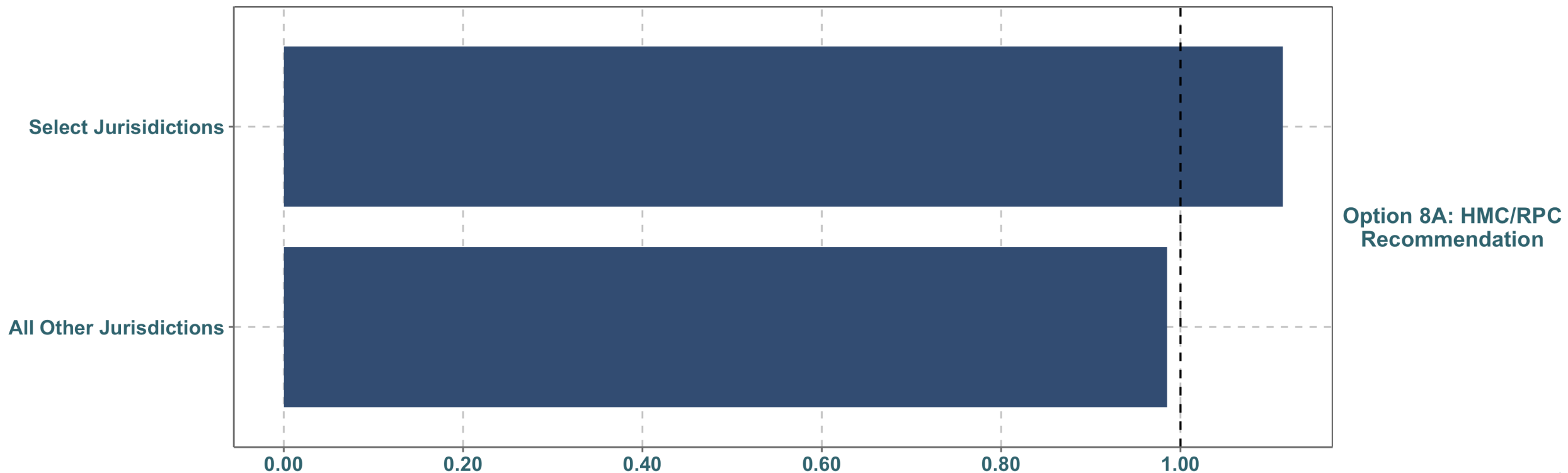
Metric 5a.2: Do the jurisdictions with the most access to resources receive allocations proportional to share of households?





# Objective 5: affirmatively further fair housing

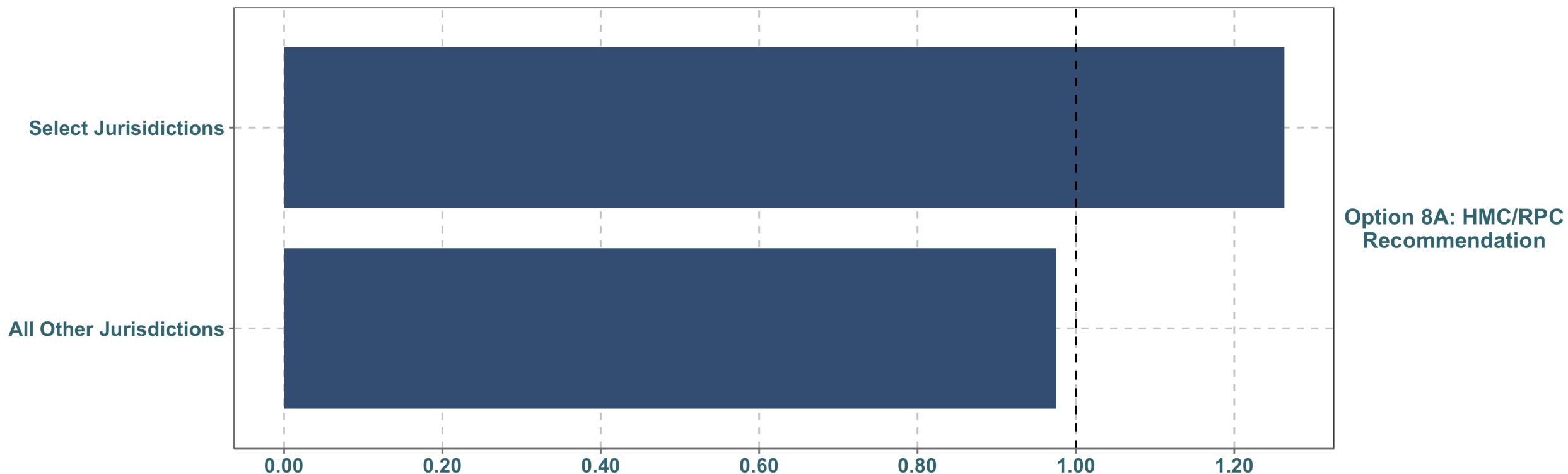
Metric 5b: Do the jurisdictions exhibiting racial and economic exclusion receive allocations proportional to share of households?





# Objective 5: affirmatively further fair housing

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

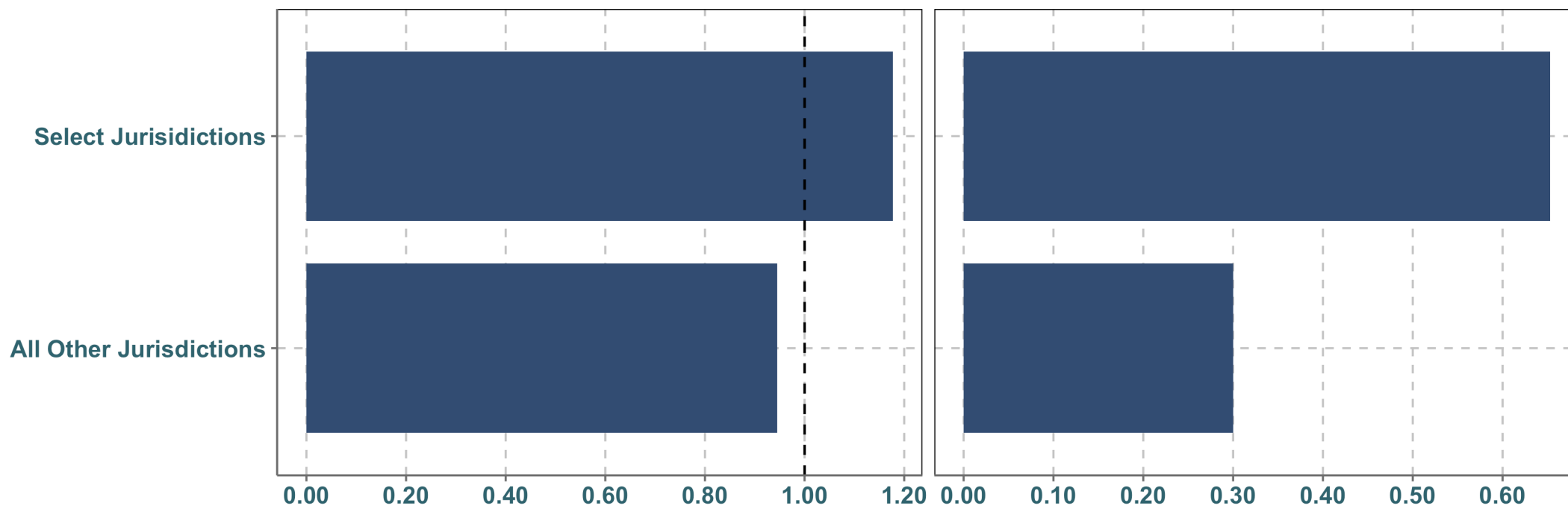




# Objective 5: affirmatively further fair housing

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?



Option 8A: HMC/RPC Recommendation



# Summary of performance evaluation

## Statutory RHNA Objectives

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



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



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



Objective 4: balance existing disproportionate concentrations of income categories



Objective 5: affirmatively further fair housing



- The proposed RHNA methodology results in illustrative allocations that advance the statutory RHNA objectives
- More housing, especially affordable units, goes to jurisdictions with the:
  - Most expensive housing costs
  - Largest shares of the region's jobs
  - Largest shares of land near transit
  - Lowest Vehicle Miles Traveled
  - Most imbalanced jobs-housing fit
  - Largest percentage of high-income residents
  - Most access to opportunity
  - Highest levels of racial and economic exclusion





# Alternate Proposals from Some RPC and HMC Members

ABAG Executive Board  
October 15, 2020



# Alternate proposals for RHNA methodology

- Some RPC and HMC members expressed interest in considering the following proposals:
  - 2015-2050 Household Growth (Blueprint) Baseline with Option 8A Factors/Weights
  - *Option 6A: Modified High Opportunity Areas Emphasis* with equity adjustment (uses 2050 Households (Blueprint) baseline)

Factors and Weights for Option 6A	
<i>Very Low <u>and</u> Low</i> <ul style="list-style-type: none"><li>• 70% Access to High Opportunity Areas</li><li>• 30% Jobs-Housing Fit</li></ul>	<i>Moderate <u>and</u> Above Moderate</i> <ul style="list-style-type: none"><li>• 40% Access to High Opportunity Areas</li><li>• 60% Job Proximity - Auto</li></ul>

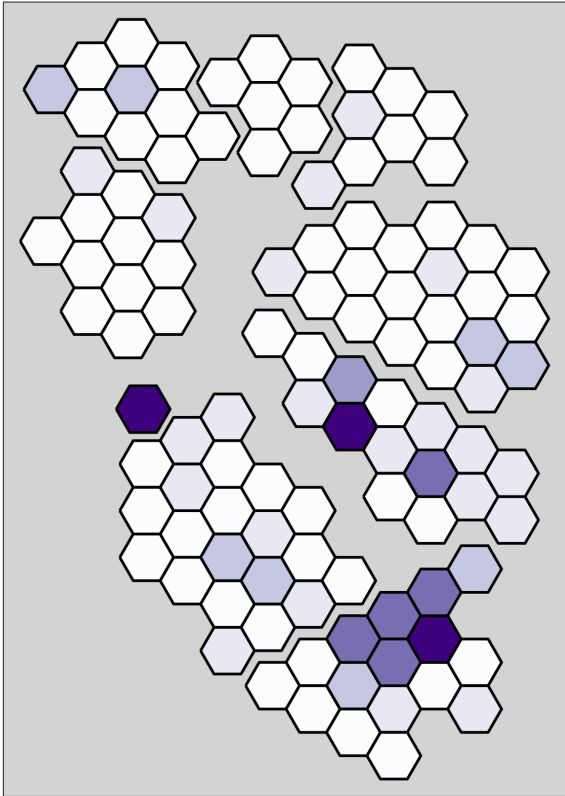


# Illustrative allocations for methodology options

HMC/RPC Recommendation

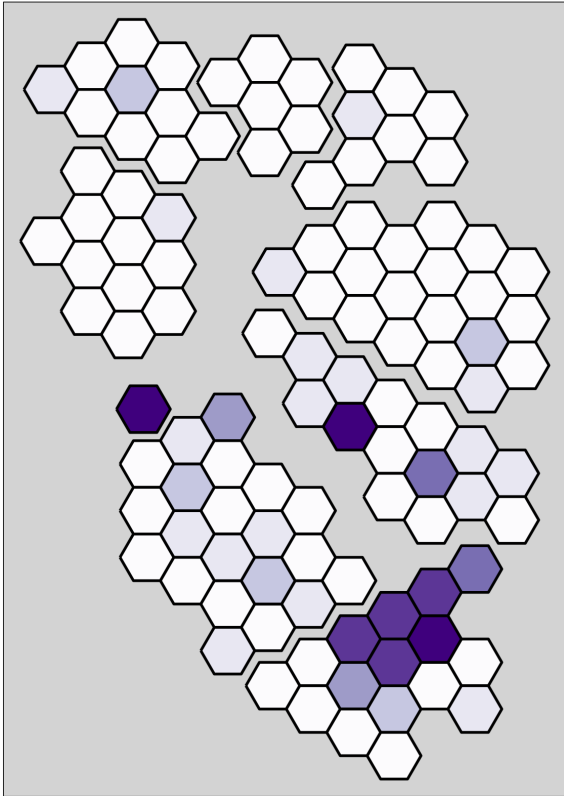
Option 8A: High Opportunity Areas  
Emphasis & Job Proximity

Baseline: 2050 Households (Blueprint)



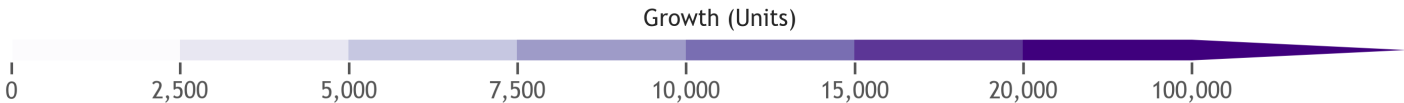
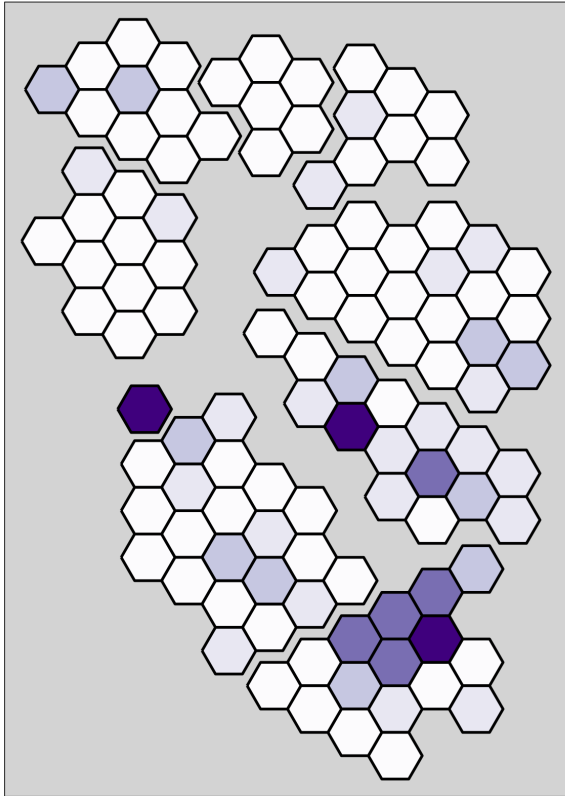
Blueprint Growth Baseline with 8A  
Factors/Weights

Baseline: Housing Growth (Blueprint)



Option 6A: Modified High Opportunity  
Areas Emphasis With Equity Adjustment

Baseline: 2050 Households (Blueprint)



See Appendix 5 for larger maps and illustrative allocations for alternate proposals

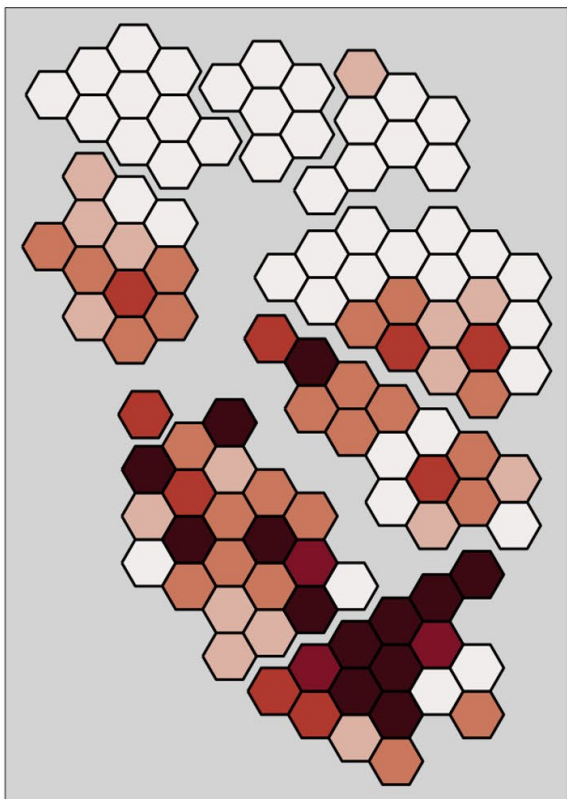


# Illustrative allocations for methodology options

## HMC/RPC Recommendation

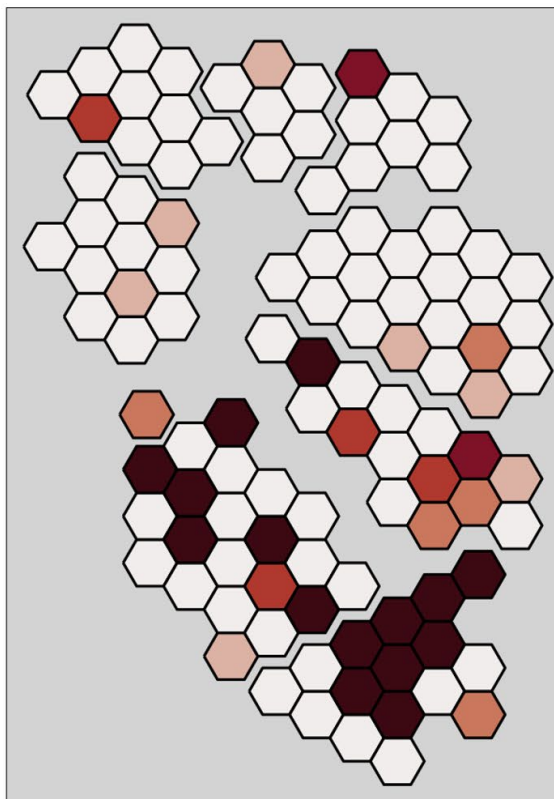
Option 8A: High Opportunity Areas  
Emphasis & Job Proximity

Baseline: 2050 Households (Blueprint)



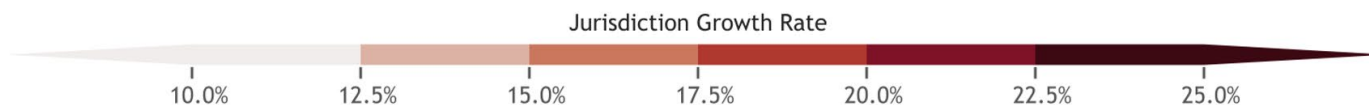
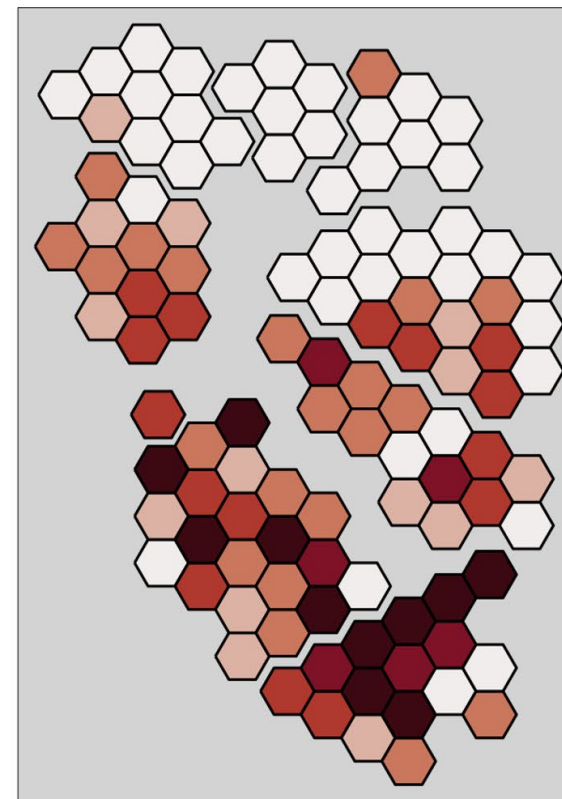
Blueprint Growth Baseline with 8A  
Factors/Weights

Baseline: Housing Growth (Blueprint)



Option 6A: Modified High Opportunity  
Areas Emphasis With Equity Adjustment

Baseline: 2050 Households (Blueprint)



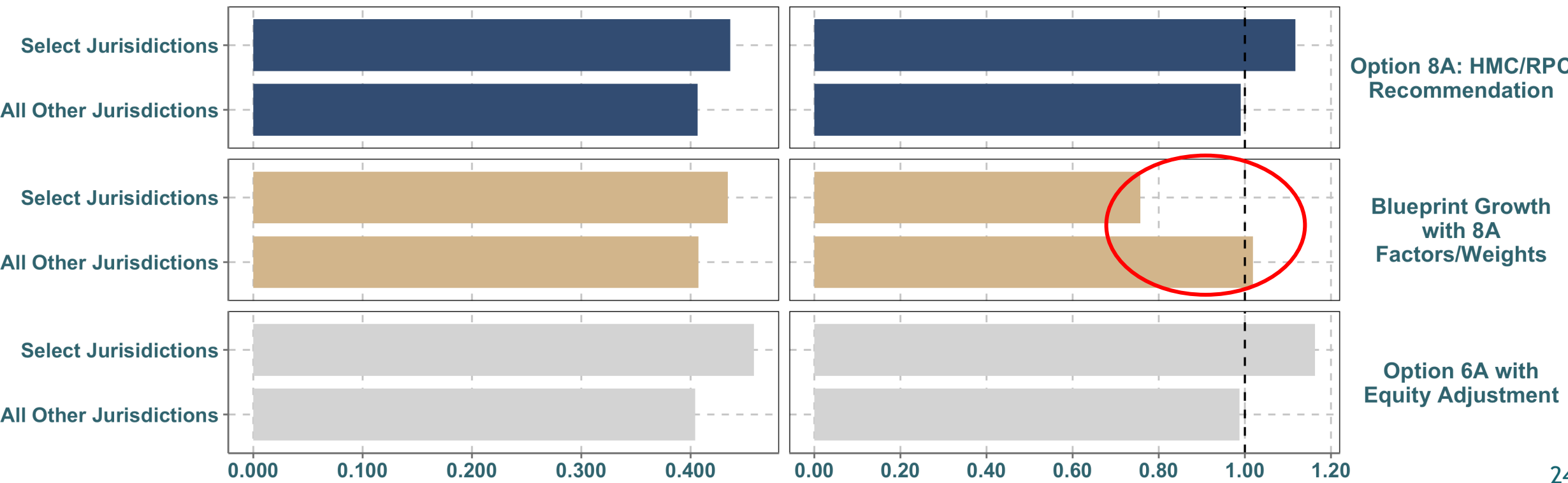
*See Appendix 5 for larger maps and illustrative allocations for alternate proposals*



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

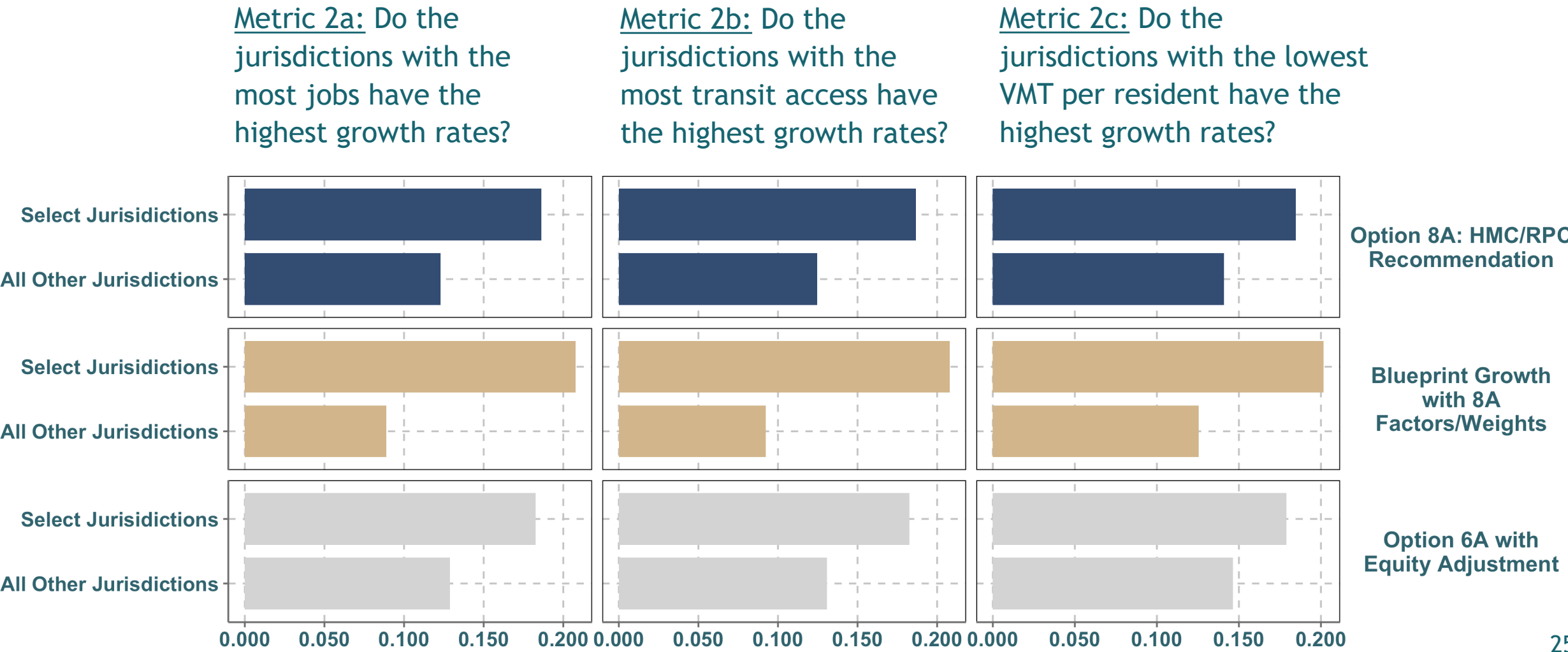
Metric 1a.1: Do the least affordable jurisdictions receive a large percent of their RHNA as lower-income units?

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

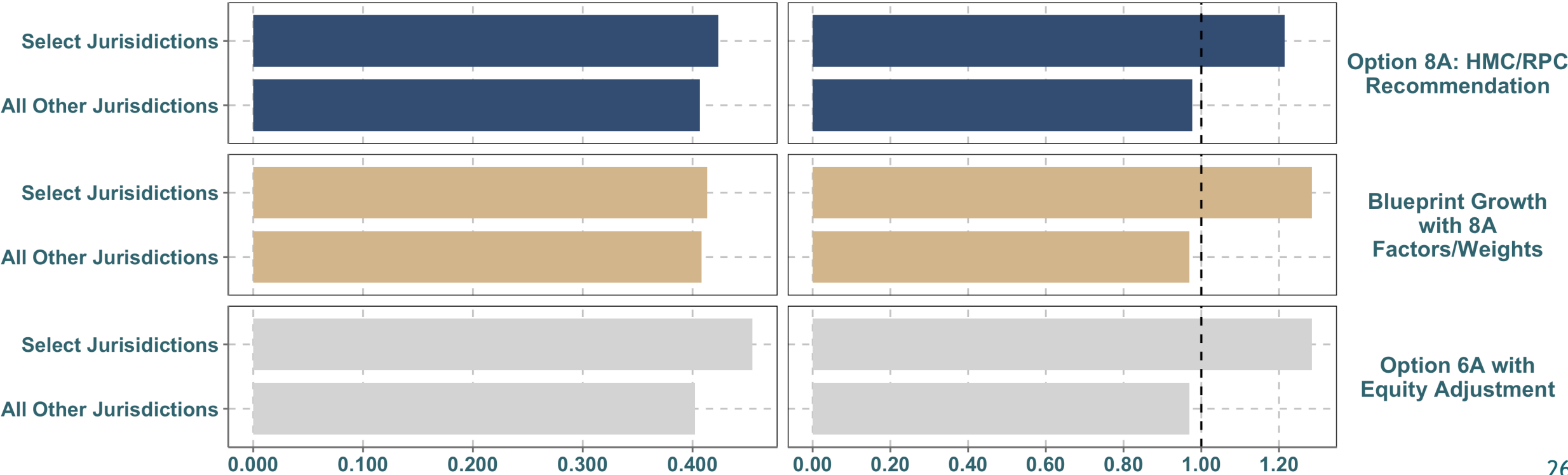




# Objective 3: promote better relationship between jobs and housing, particularly jobs-housing fit

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

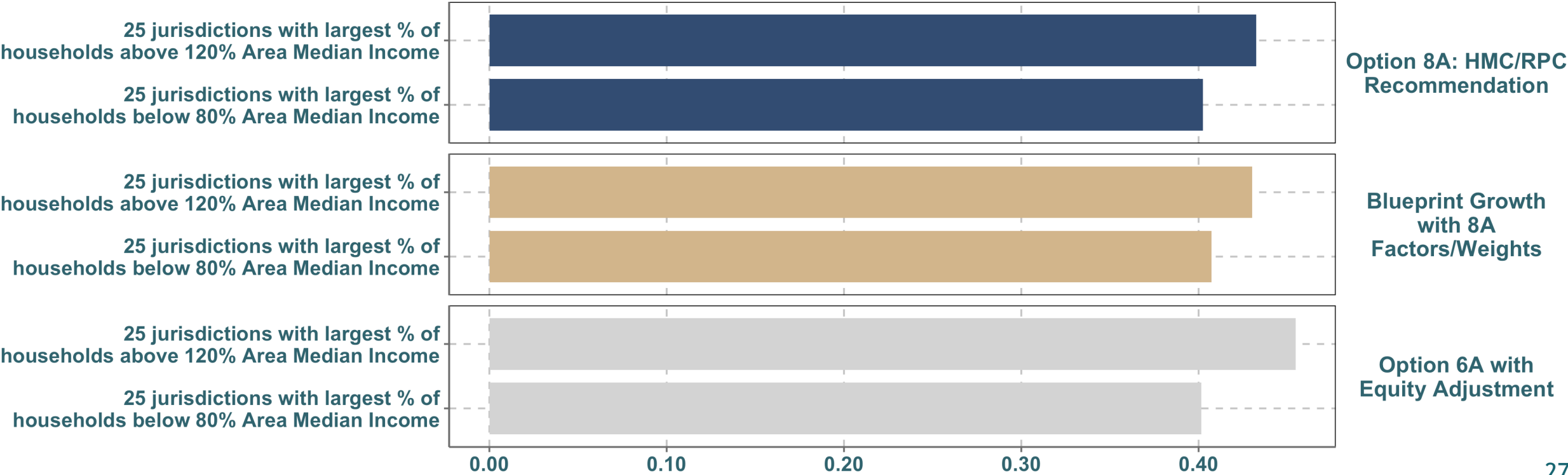
Metric 3a.2: Do the jurisdictions with the least balanced jobs-housing fit receive allocations proportional to share of households?





# 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?

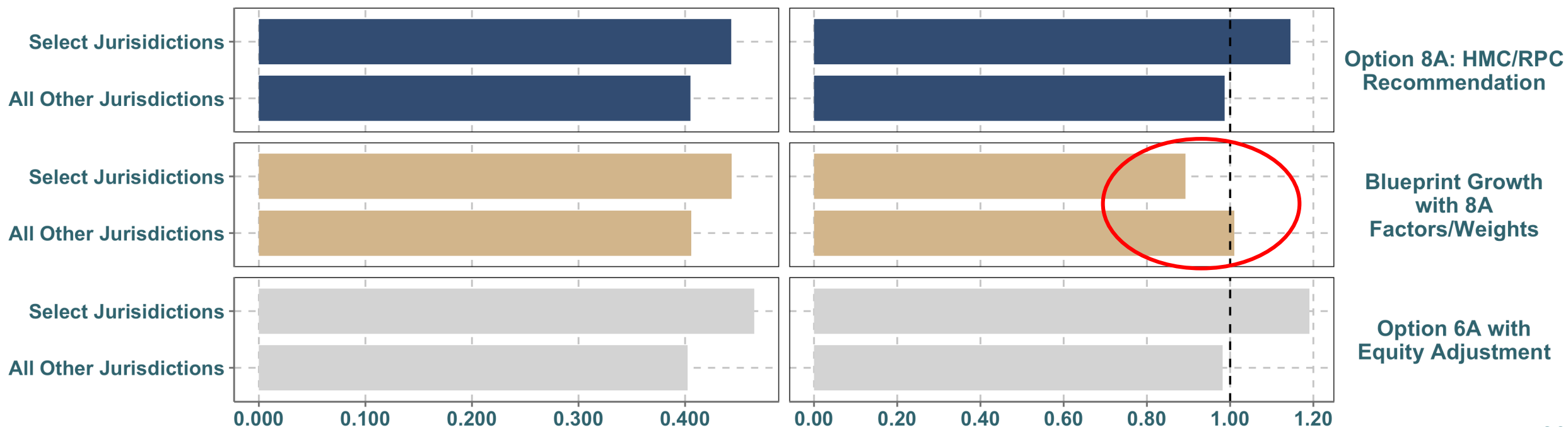




# Objective 5: affirmatively further fair housing

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

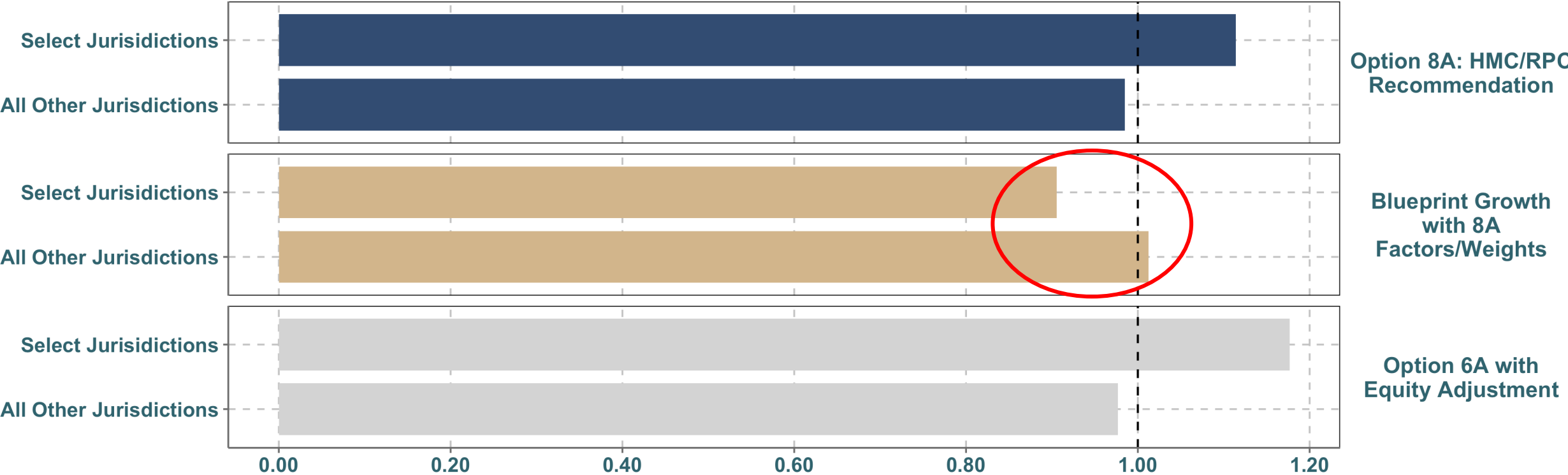
Metric 5a.2: Do the jurisdictions with the most access to resources receive allocations proportional to share of households?





# Objective 5: affirmatively further fair housing

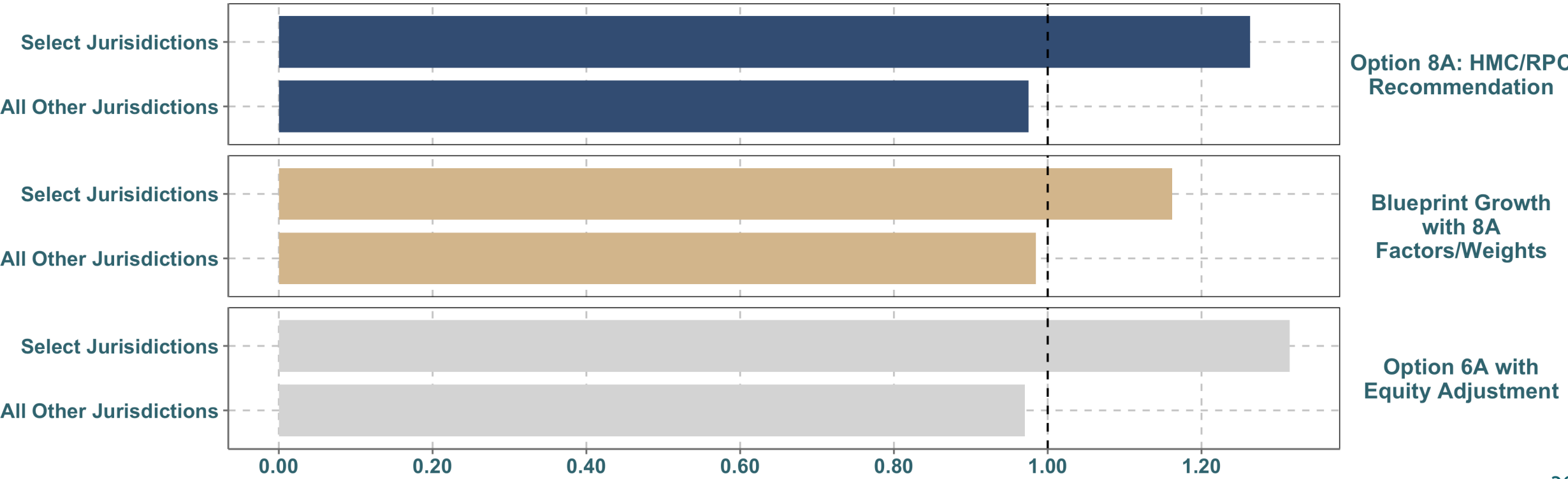
Metric 5b: Do the jurisdictions exhibiting racial and economic exclusion receive allocations proportional to share of households?





# Objective 5: affirmatively further fair housing

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

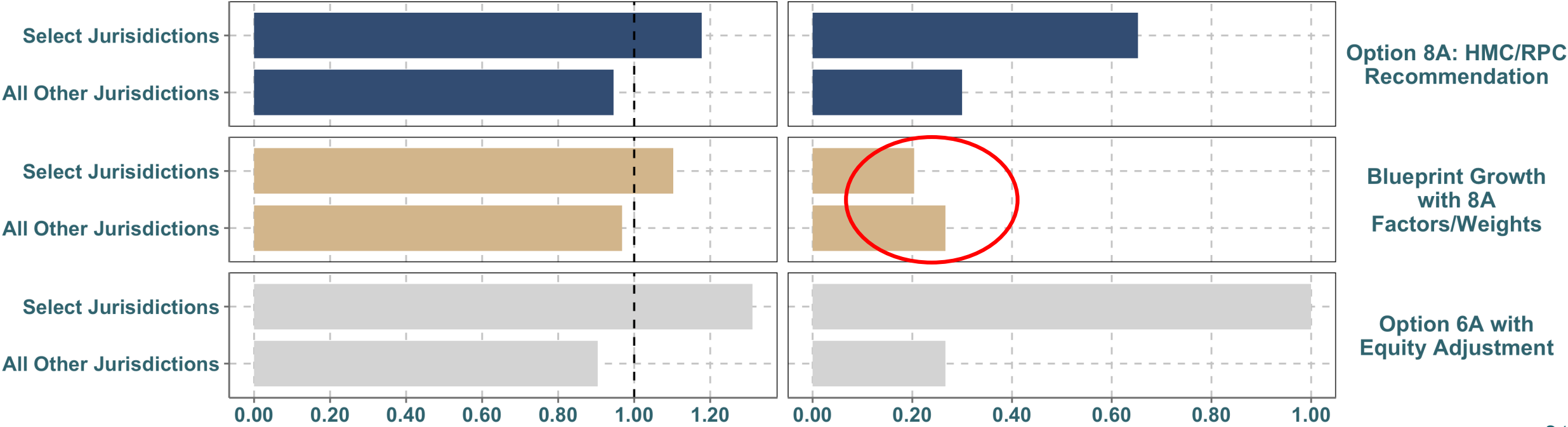




# Objective 5: affirmatively further fair housing

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?





# 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	November 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*

For more information: please contact Gillian Adams, RHNA Manager, at [gadams@bayareametro.gov](mailto:gadams@bayareametro.gov)