

Association of Bay Area Governments

General Assembly

June 18, 2026

Agenda Item 9.a.

Regional Housing Needs Allocation (RHNA) Cycle 7 Preview

Subject:

An early preview of RHNA Cycle 7, including phases, timeline, and notable statutory changes, prior to kickoff in early 2027.

Background:

RHNA is the state-required process to determine the number of housing units, by affordability level, that every local jurisdiction in the region must accommodate in the Housing Element of its General Plan. The California Department of Housing and Community Development (HCD) develops the total housing need for the region, called the Regional Housing Need Determination (RHND). ABAG must develop a methodology to distribute this need to local jurisdictions. Housing Elements must be certified by HCD every eight years. The upcoming 7th cycle of RHNA covers the planning period of 2031 to 2039; Housing Elements must be adopted by January 31, 2031.

RHNA Purpose:

The statutory objectives of RHNA can be summarized as the following:¹

1. Increase housing supply, mix of housing types and affordability in an equitable manner.
2. Promote infill development, efficient growth patterns and greenhouse gas reduction.
3. Improve the jobs-to-housing balance, particularly for low-wage workers.
4. Address disproportionate income distributions across jurisdictions.
5. Affirmatively further fair housing.

Furthermore, pursuant to state law, the RHNA process is required to be informed by Plan Bay Area. The next iteration of Plan Bay Area – Plan Bay Area 2060 – is anticipated to kick off in September 2026.

RHNA Process:

The steps in the RHNA process are summarized below:

¹ See [California Government Code Section 65584\(d\)](#) for complete statutory language.

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- 1. Regional Allocation:** HCD consults with ABAG regarding the assumptions and methodology to be used to determine the total housing need for the region and then issues the RHND.
- 2. Draft Methodology Development:** ABAG is responsible for developing a methodology to allocate the regional housing need to local governments consistent with state law. In past cycles, ABAG convened an ad-hoc Housing Methodology Committee (HMC) comprised of elected officials, local staff and regional stakeholders to advise ABAG staff on the allocation methodology. In addition, state law requires ABAG to survey local jurisdictions for input.
- 3. Draft Methodology Approval by HCD and Draft Allocations:** ABAG is required to submit the draft allocation methodology to HCD for review. Following HCD's approval, ABAG adopts the final methodology and issues draft allocations to jurisdictions.
- 4. Appeals and Final Allocations:** Jurisdictions and HCD have an opportunity to appeal a jurisdiction's draft allocation. After ABAG acts on the appeals, it adopts final allocations to jurisdictions. At this point, ABAG's role in the RHNA process concludes.
- 5. Housing Elements:** Local jurisdictions update their Housing Elements to show how they plan to accommodate their housing allocations. The Housing Element must include an inventory of sites that have been zoned for sufficient capacity to accommodate the allocation. Local jurisdictions submit their updated Housing Element to HCD for certification.

Subregions:

State law allows two or more jurisdictions to form a "subregion" to decide how to allocate their share of regional housing need to each participating jurisdiction. Creating a subregion provides an opportunity for local jurisdictions to exercise greater control over the housing allocation process and provides expanded opportunities for collaboration. A subregion may include a single county and each of the cities in that county or any combination of geographically contiguous local governments as long as the unincorporated county is a member.

Subregions are responsible for conducting their own RHNA process that meets all statutory requirements, including developing a methodology, allocating housing needs and conducting appeals. The final allocation for a subregion must meet the same requirements as the region's allocation. See **Attachment A** for more information on subregions.

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Changes Since Last RHNA Cycle:

Recent legislation has resulted in the following key changes for RHNA Cycle 7:

RHND

1. **Earlier RHND:** HCD is now required to provide the RHND one year earlier (three years prior to the Housing Element deadline, instead of two years).² For this cycle, Housing Elements are due January 31, 2031, meaning that the deadline for HCD to provide the RHND is January 31, 2028.
2. **Homelessness:** HCD is now required to consider the housing needs of individuals and families experiencing homelessness when developing the RHND.³ By statute, HCD must consult with ABAG on the data sources to be used to determine this need.
3. **Cost Burdened and Overcrowded Households:** HCD must now consider the percentage of households that are cost burdened and the percentage of households that are overcrowded in the region and throughout the nation when determining the RHND.⁴ Previously, HCD considered the percentage of cost burdened and overcrowded households in the region and in comparable regions in the country.

RHND and RHNA Allocation

4. **Affordability Levels:** The RHND, RHNA allocation and Housing Elements must now include separate categories for acutely low- and extremely low-income households, which were previously grouped together in the very low-income category.⁵
5. **University Enrollment:** The RHND and RHNA allocation methodology must now consider student enrollment at campuses of the University of California (UC) and California State University (CSU).⁶

RHNA Allocation

6. **Climate Constraints:** The RHNA allocation methodology must now consider climate-related development constraints, including evacuation route capacity, wildfire risk and

² AB 1275 (Elhawary, 2025)

³ AB 3093 (Ward, 2024)

⁴ AB 130 (Budget, 2025)

⁵ AB 3093 (Ward, 2024)

⁶ SB 486 (Cabaldon, 2025)

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sea level rise.⁷ These issues will be considered alongside other statutorily required factors.

7. **Plan Bay Area:** The RHNA allocation is required to be “informed” by Plan Bay Area whereas previously it was required to be “consistent” with Plan Bay Area.⁸
8. **Subregions:** The allocation to subregions must now be the same proportion as the subregion’s share of the adopted RHNA plan from the previous cycle.⁹ For example, if the participating jurisdictions in a subregion received five percent of the previous RHND based on the methodology contained in the last RHNA, this cycle the subregion would receive five percent of the new RHND.
9. **Timelines:** Various changes were made to the timelines that govern RHNA to speed up the process.¹⁰ For example, the time HCD has to review an adopted RHNA methodology was reduced from 90 to 45 days, and the time HCD has to determine if a final allocation plan is consistent with existing and projected housing need was reduced from 30 to 15 days.

Issues:

Due to earlier changes in state law, the Bay Area saw a significant increase in its RHND during the last RHNA cycle, rising from 187,990 in Cycle 5 to 441,176 in Cycle 6. Staff anticipate that the upcoming RHND for Cycle 7 will likely be larger than the last cycle due to recent changes in state law, such as the requirement to consider the housing needs of individuals and families experiencing homelessness.

Since HCD will identify the RHND one year earlier this cycle, ABAG and subregions (if applicable) will be able to incorporate the RHND into the allocation methodology development process earlier than in past cycles when the RHND was issued well after development of the methodology began. This will allow the methodology to be informed by the RHND earlier, allowing for a more linear process.

Additional context regarding past RHNA cycles, common misconceptions about the RHNA process and ABAG support for Housing Elements can be found in **Attachment B**.

⁷ AB 1445 (Levine, 2022)

⁸ AB 1275 (Elhawary, 2025)

⁹ AB 1275 (Elhawary, 2025)

¹⁰ SB 7 (Blakespear, 2024)

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Next Steps:

Table 1 below contains a tentative timeline for key milestones in the RHNA process:

Table 1: Key RHNA Milestones

Key Milestone	Date
ABAG consultation with HCD on RHND	Late 2027
Housing Methodology Committee advises on methodology	Fall 2027 – Fall 2028
HCD issues RHND	Early 2028
Subregions form	Early 2028 ¹¹
ABAG submits draft methodology to HCD for approval	Early 2029
ABAG adopts final methodology; issues draft allocations	Mid 2029
Appeals	Mid 2029
Final RHNA adoption (statutory deadline)	January 31, 2030
Housing Element (statutory deadline)	January 31, 2031

The above dates are subject to change. Based on feedback from the ABAG Executive Board, staff are exploring ways to accelerate the timeline to adopt the Final RHNA Plan earlier.

¹¹ Per California Government Code Section 65584.03(a), the deadline for subregions to form is September 30, 2028. Due to the requirements involved in forming subregions, consistent with previous cycles subregions are encouraged to form in early 2028.

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Recommended Action:

Information

Attachments:

A. Overview of RHNA Subregions

B. Presentation

Reviewed:



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