

Association of Bay Area Governments
Administrative Committee

September 12, 2025

Agenda Item 9b

**Annexation-Related Regional Housing Needs Allocation (RHNA) Transfers: September
2025 Update**

Subject:

Summary of final non-mutual annexation-related RHNA transfer determinations completed through September 2025, as specified by ABAG Resolution No. 10-2025, consistent with the requirements of California Government Code Section 65584.07.

Background:

California Government Code Section 65584.07(d) sets forth the conditions under which a county may transfer a portion of the county's RHNA allocation to a city or town following the incorporation of a new city or the annexation of unincorporated land after the Council of Governments (COG) has made its final RHNA allocations. As the COG for the San Francisco Bay Area, ABAG completed its final RHNA allocations on December 16, 2021. Per Government Code Section 65584.07(d)(2)(A), jurisdictions have 90 days following the date of incorporation or annexation to submit a mutually acceptable transfer agreement or a written request for a transfer to the COG. The statute allows the COG to extend the 90-day deadline if it determines an extension is consistent with the RHNA objectives identified in California Government Code Section 65584(d).

By statute, if the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the COG to "consider the facts, data, and methodology presented by both parties and determine the number of units, by income category, that should be transferred from the county's allocation" to the city or town (Government Code Section 65584.07(d)(1)). The COG must make the transfer effective within 180 days after receipt of the written request and the transfer must be based on the COG's adopted RHNA allocation methodology (Government Code Section 65584.07(d)(2)(A)).

On May 9, 2025, the ABAG Administrative Committee adopted ABAG Resolution No. 10-2025 delegating authority to the Deputy Executive Director, Metro Planning and Policy, to administer non-mutual requests for RHNA allocation transfers and to make the final determination on all transfer requests. ABAG Resolution No. 10-2025 also specifies that an informational report will be submitted to the Administrative Committee after a transfer determination is made.

Issues:

In accordance with the aforementioned resolution, this report provides information on two RHNA transfer determinations made by the Deputy Executive Director in response to the following annexations in Santa Clara County:

- **15575 El Gato Lane (APN 523-22-007), annexed by the Town of Los Gatos; and**
- **125 Kirk Avenue (APN 601-07-0660), annexed by the City of San Jose.**

For each of these annexations, the affected parties were unable to reach a mutually acceptable transfer agreement. As a result, the County of Santa Clara submitted requests for ABAG to determine the number of units, by income category, to transfer from the County to the Town and City, respectively.

Adopted RHNA Methodology:

The ABAG Executive Board adopted the final 6th cycle RHNA allocations on December 16, 2021. The final methodology utilized the share of year 2050 total households by jurisdiction from the Plan Bay Area 2050 Final Blueprint to determine a baseline allocation. The baseline allocation was then adjusted using weighted factors, including access to high-opportunity areas and job proximity. Finally, the RHNA methodology employed an equity adjustment to ensure that jurisdictions with above-average racial and economic exclusion levels received lower-income allocations at least proportional to their population share. Additional information on the RHNA methodology and final allocations is available on ABAG's website as part of the [Final RHNA Plan](https://abag.ca.gov/tools-resources/digital-library/final-rhna-methodology-report-2023-2031jun2025update0pdf) (<https://abag.ca.gov/tools-resources/digital-library/final-rhna-methodology-report-2023-2031jun2025update0pdf>).

Transfer Determinations:

ABAG received written requests from the County of Santa Clara for RHNA transfer determinations on December 17, 2024, for 15575 El Gato Lane, annexed by the Town of Los Gatos, and on March 3, 2025, for 125 Kirk Avenue, annexed by the City of San Jose. Pursuant to Government Code Section 65584.07(d)(1), for each case, the Deputy Executive Director considered the facts, data and methodology presented by the parties and applied the adopted RHNA methodology for the 6th cycle RHNA to the annexations. To calculate the annexation-related transfers, the following steps were undertaken for each parcel:

1. Determine if the Plan Bay Area 2050 Final Blueprint total household data for year 2050 is the most current, or if there is new information available from facts, data and methodology submitted concerning forecasted growth on the subject parcel;
2. Subtract the forecasted growth from the total number of year 2050 households in the County and add the forecasted growth to the total number of year 2050 households in the Town/City; and
3. Apply the adopted factors, weights and adjustment to each jurisdiction's baseline allocation, consistent with the RHNA methodology adopted in 2021.

In the case of **15575 El Gato Lane in the Town of Los Gatos**, there is one existing household on the parcel and the Plan Bay Area 2050 Final Blueprint forecasted one household in year 2050. There is no forecasted growth for the parcel, and there is no entitled development project at the site. For purposes of applying the methodology in this instance, one household was subtracted from the total number of year 2050 households in the County and one household was added to the total number of year 2050 households in the Town. The adopted factors, weights and adjustment were then applied to each jurisdiction's total number of year 2050 households to determine the unit allocation by income level. The result of applying the RHNA methodology to the annexation is that **no RHNA units were transferred from the County to the Town.**

In the case of **125 Kirk Lane in the City of San Jose**, there is an approved development application for 18 units on the parcel as specified in facts and data submitted by the parties. Due to this new parcel data, and for purposes of applying the methodology in this instance, 18 households were subtracted from the total number of year 2050 households in the County and 18

households were added to the total number of year 2050 households in the City. The adopted factors, weights and adjustment were then applied to each jurisdiction's total number of year 2050 households to determine the unit allocation by income level. The result of applying the RHNA methodology to the annexation is that **two RHNA units were transferred from the County to the City, consisting of one moderate-income unit and one very low-income unit.**

The Deputy Executive Director notified the County of Santa Clara, Town of Los Gatos, and City of San Jose of the transfer determinations on June 13, 2025. The Deputy Executive Director's decision is final and not appealable.

Following the determinations, the Final RHNA Plan was updated to reflect the transfers and ABAG submitted the determinations to the California Department of Housing and Community Development.

Recommendation:

Information

Attachments:

None



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