



Regional Housing Needs Allocation (RHNA) Overview

ABAG Special General
Assembly

February 7, 2020

What is RHNA?

- Since 1969, State law requires that all jurisdictions must plan to meet the housing needs of everyone in the community
- The State identifies total number of units, across all income groups, for which the region must plan for 8-year period (sixth cycle covers 2022-2030)
- **ABAG** collaborates with local governments and stakeholders to develop a formula to assign each community a share of the Bay Area's housing need
- **Each local government** must update Housing Element of General Plan and zoning to show how it plans to accommodate its share of the regional need

What are the statutory objectives of RHNA?

Increase housing supply and mix of housing types, tenure, and affordability in all cities and counties in an equitable manner

Promote infill development and socioeconomic equity, protect environmental and agricultural resources, encourage efficient development patterns, and achieve GHG reduction targets

Promote improved intraregional jobs-housing relationship, including balance between low-wage jobs and affordable housing

Balance disproportionate household income distributions (more high-income RHNA to lower-income areas and vice-versa)

Affirmatively further fair housing

What's new this RHNA cycle?

Greater emphasis on social equity

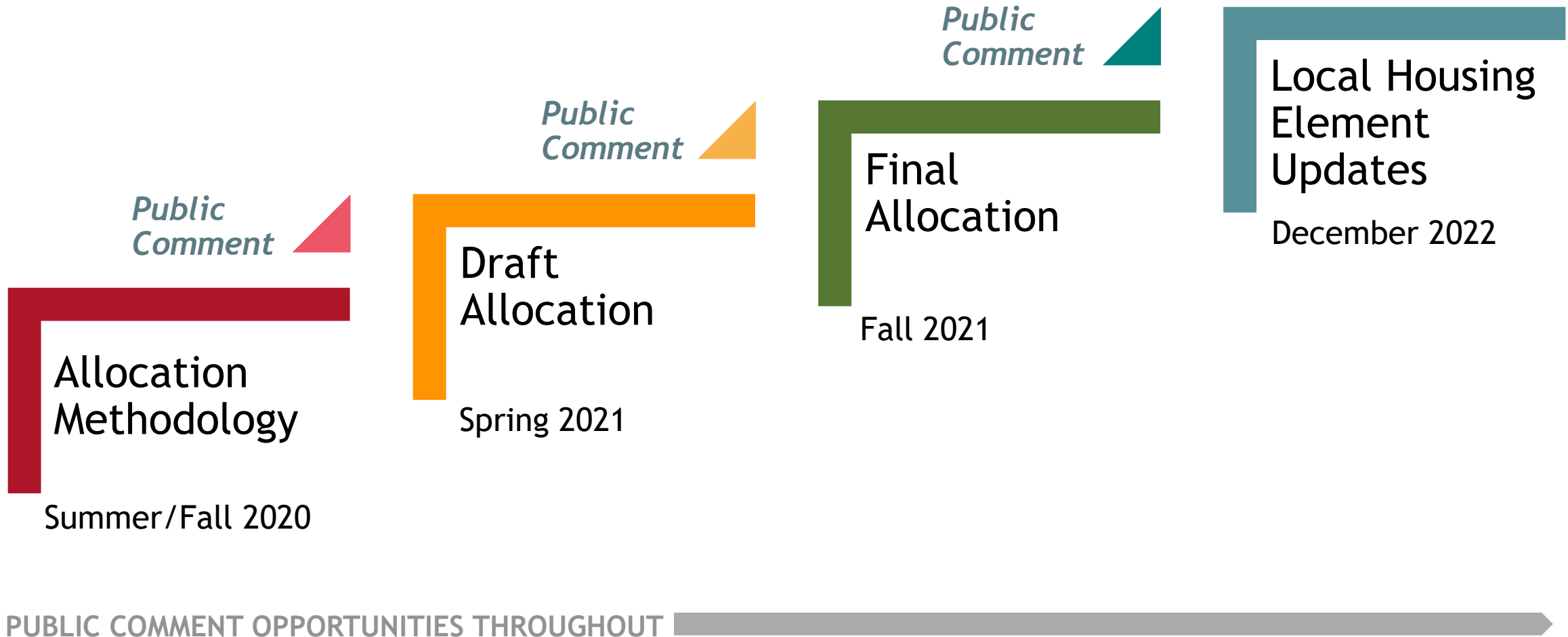
Higher expected total regional housing need

Expanded HCD oversight on methodology and allocations

More factors to consider in allocations (*overpayment; overcrowding; greenhouse gas target; jobs-housing fit*)

New requirements for identifying eligible sites for Housing Elements

RHNA process overview



Summary of key milestones

Key Milestones	Proposed Deadline
Housing Methodology Committee kick-off	October 2019
Subregions form	February 2020
HCD Regional Housing Need Determination	Spring 2020
Proposed methodology	July 2020
Draft methodology	November 2020
Final methodology, draft allocation	March 2021
Appeals	Summer 2021
Final allocation	September 2021
Housing Element due date	December 2022

Dates are tentative and subject to change

Role of Housing Methodology Committee

- 37-member committee of local elected officials and staff from every county as well as stakeholders representing diverse perspectives
- Advises ABAG on numerical formula to assign a share of region's housing need to every Bay Area jurisdiction; Must fully allocate the total housing need by income

Working Group

Housing Methodology Committee (HMC)

Provides monthly input to staff.



Committee

ABAG Regional Planning Committee

Receives regular updates from HMC and makes recommendations to the Board, generally meets bi-monthly.



Board

ABAG Executive Board

Takes action on RHNA at legally-required key points in the process.

HMC progress to date

- Understanding new equity framework
 - Panel of experts shared information on affirmatively furthering fair housing and jobs-housing fit
- Consideration of potential factors to include in the methodology related to:
 - Fair housing and equity
 - Jobs and jobs-housing fit
 - Transportation
 - Natural hazards
 - Past RHNA performance
- Discussion about using Plan Bay Area 2050 in the methodology



Using the Plan Bay Area Blueprint—Options Discussed by HMC

- **Option 1:** use forecasted development pattern from the Blueprint to direct RHNA allocations
- **Option 2:** use a hybrid approach that uses the forecasted development pattern from the Blueprint along with additional factors to represent policy goals that are underrepresented in the Blueprint to direct RHNA allocations
- **Option 3:** do not use forecasted data from the Blueprint, but include factors that align with the policies and strategies in the Blueprint to direct RHNA allocations

How will we engage with stakeholders & the public on RHNA?



Stakeholder Meetings



Meetings with Local Officials & Staff + Assistance with Housing Elements



Spring 2020 Open Houses in All Counties



Media Outreach + Web



Overview of New Rules for Identifying Housing Element Sites

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Changes to Housing Element site selection for lower-income housing

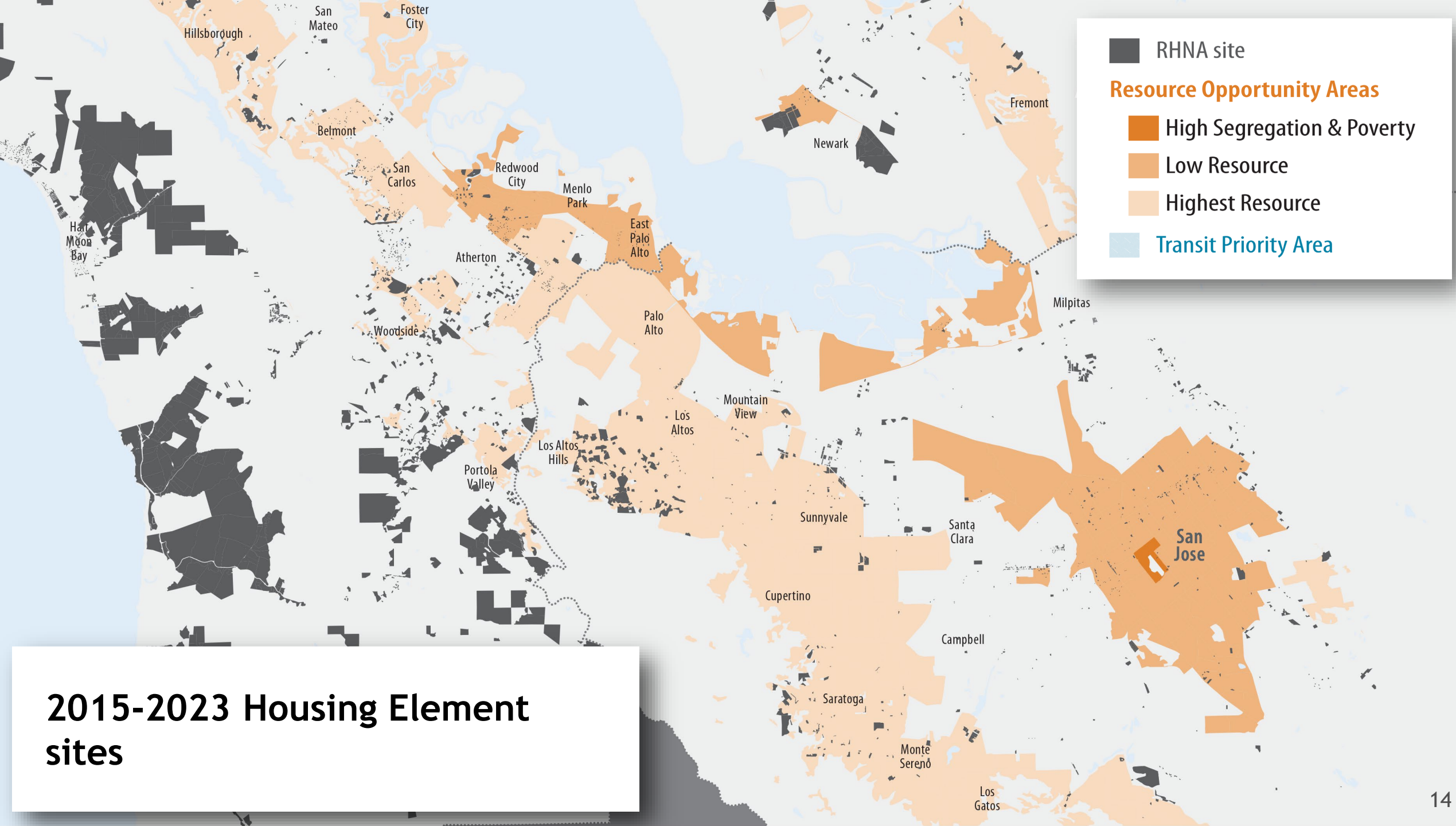
Cannot “re-use” site unless provide minimum density and “by right” zoning

Narrow definition of vacant, and if non-vacant sites used for 50% or more of lower-income need, existing use presumed to impede development

Cannot use sites smaller than 0.5 acre or larger than 10 acres without substantial evidence

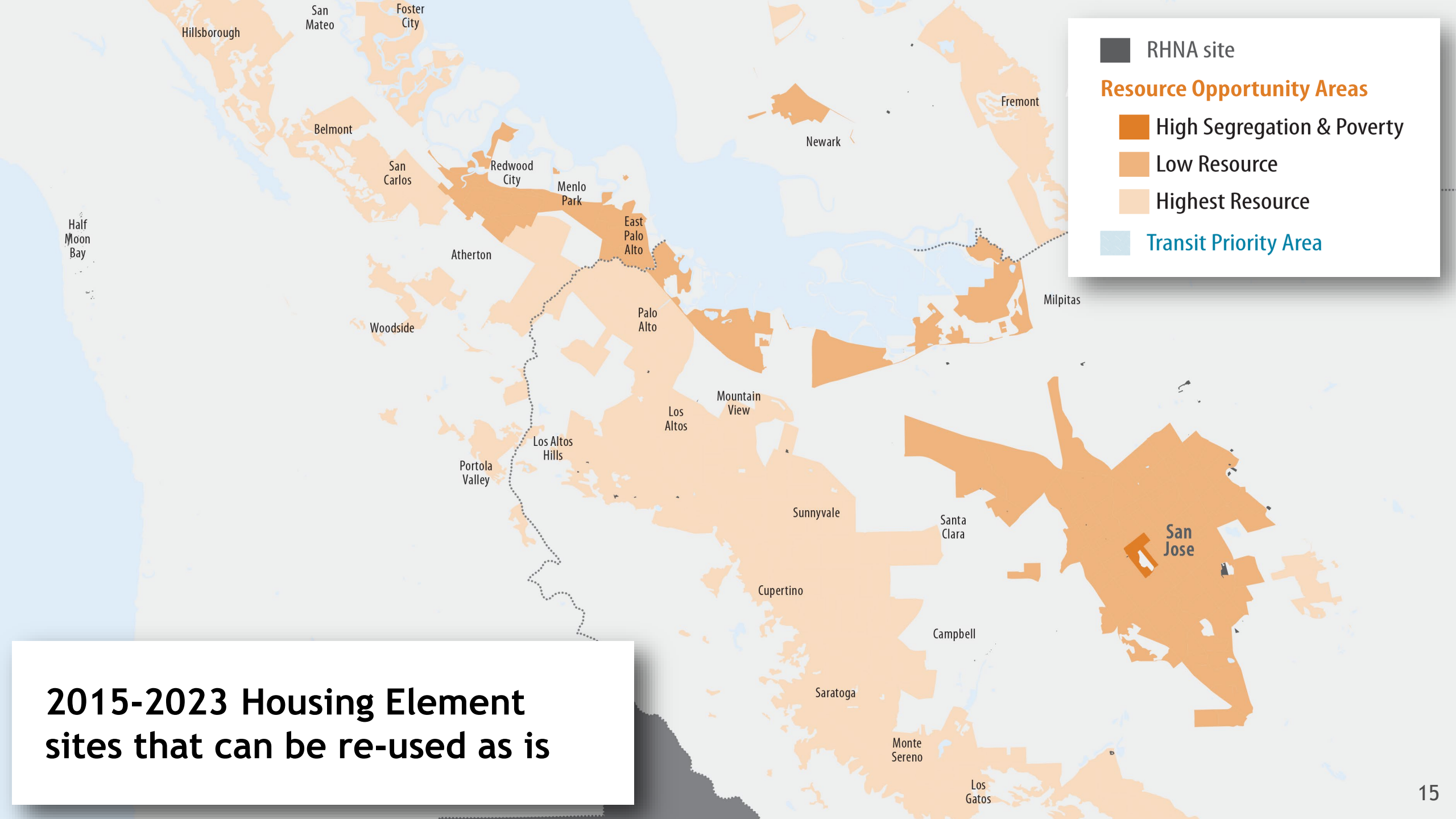
ABAG/MTC Housing Element sites analysis

- Review of sites from 2007-2014 RHNA and 2015-2023 RHNA
- Analysis for entire region available from ABAG/MTC staff
- Based on data collected from local Housing Elements
 - Quality of data varies widely
 - Does not reflect development activity since Housing Element
- High-level analysis of impacts of new laws
 - Starting place for local staff to look more closely
- Goals:
 - Help jurisdictions prioritize use of State planning funds
 - Help jurisdictions understand & communicate paradigm shift for this RHNA



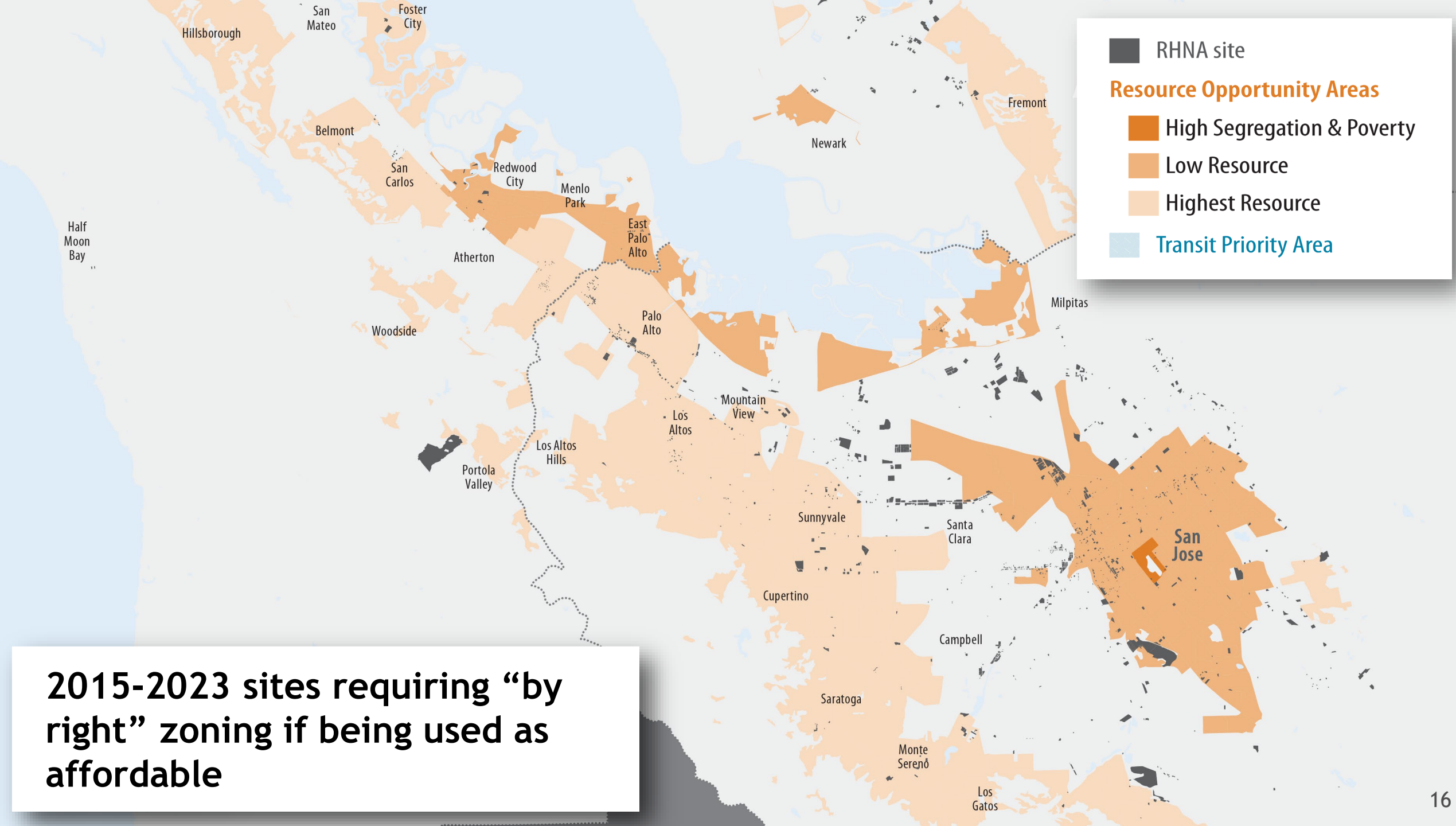
RHNA site
Resource Opportunity Areas
 High Segregation & Poverty
 Low Resource
 Highest Resource
 Transit Priority Area

2015-2023 Housing Element sites



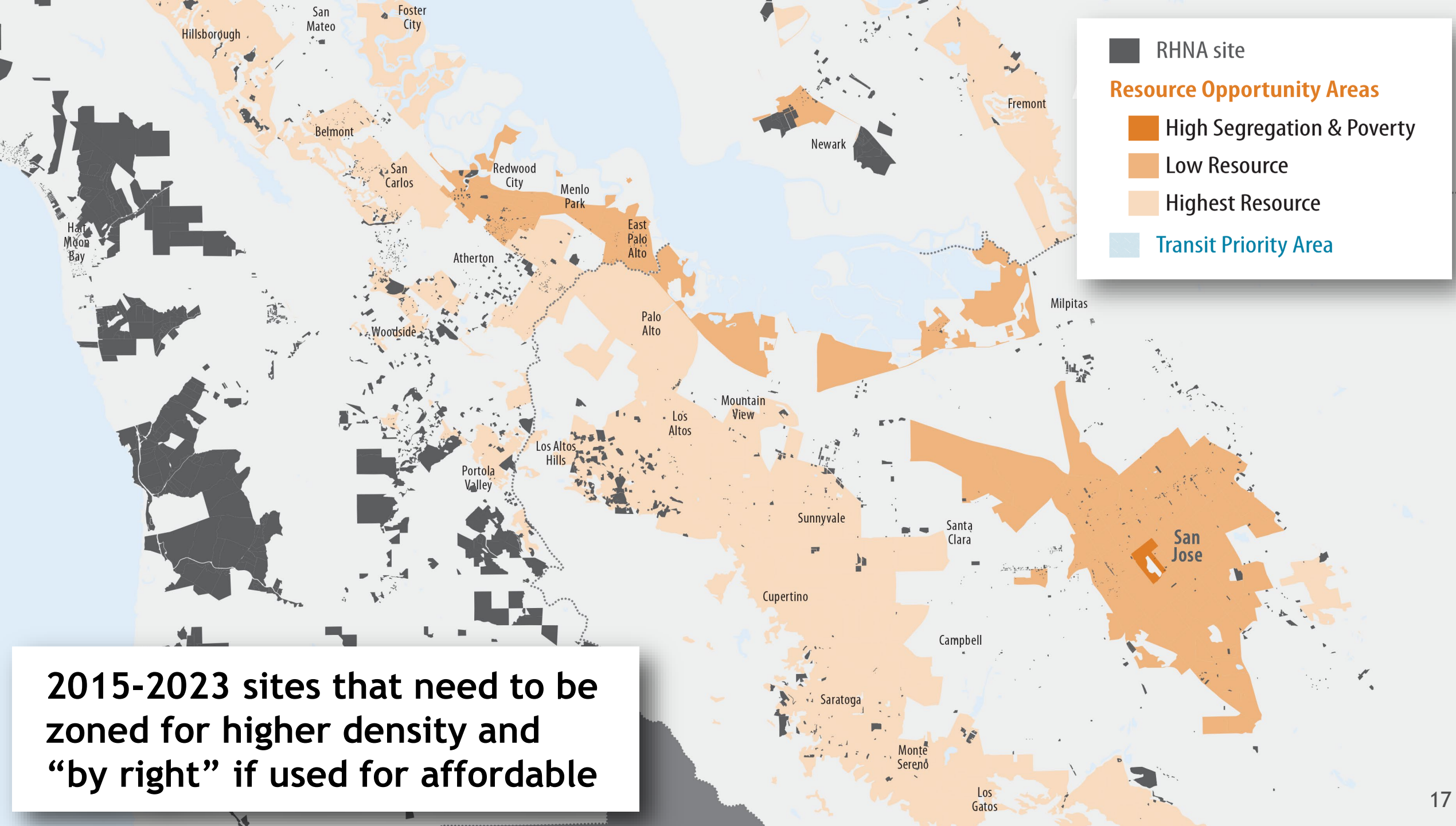
RHNA site
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2015-2023 Housing Element sites that can be re-used as is

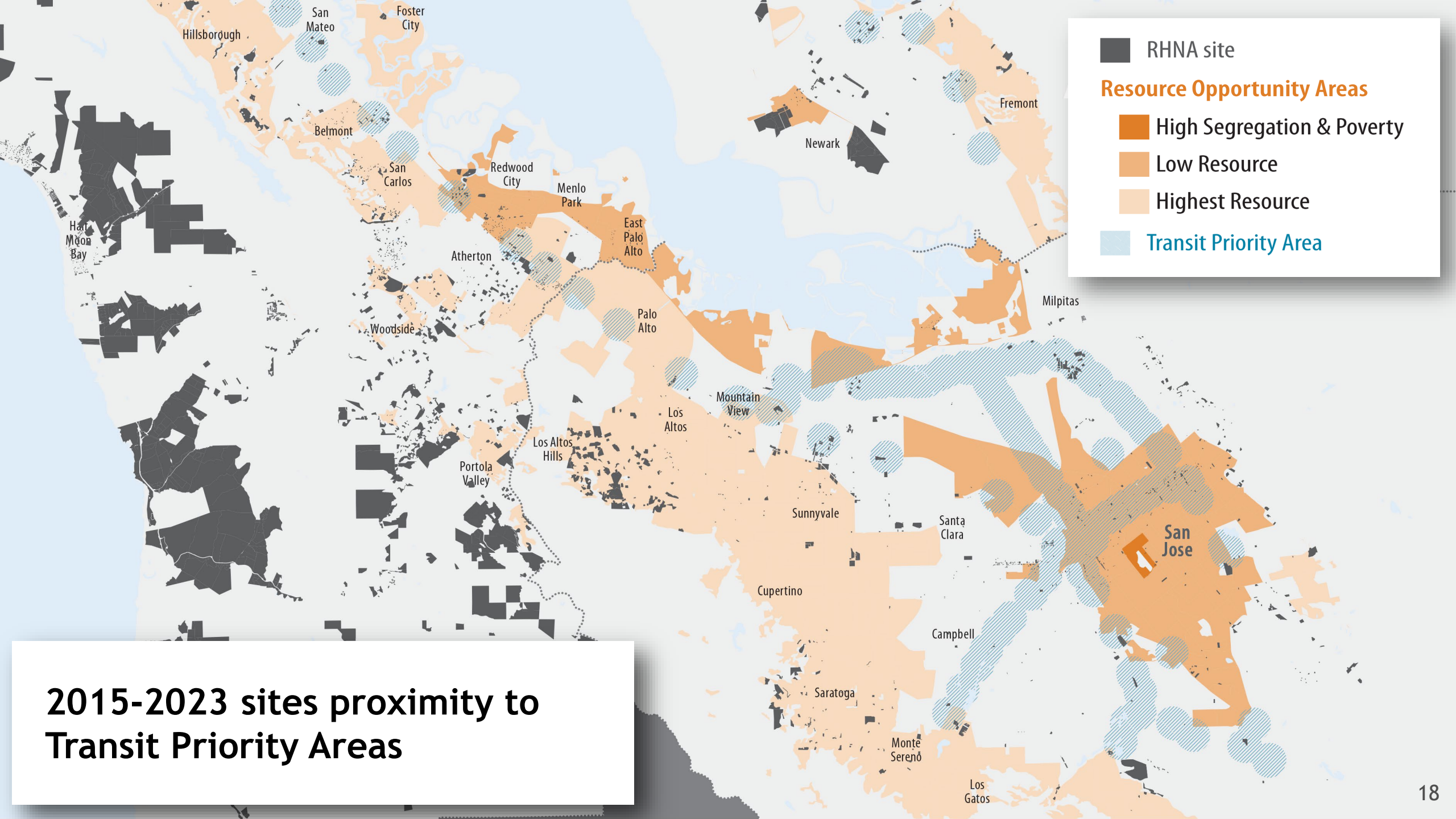


RHNA site
Resource Opportunity Areas
 High Segregation & Poverty
 Low Resource
 Highest Resource
 Transit Priority Area

2015-2023 sites requiring “by right” zoning if being used as affordable



2015-2023 sites that need to be zoned for higher density and “by right” if used for affordable



2015-2023 sites proximity to Transit Priority Areas

Bay Area RHNA progress, 1999-2018

RHNA		Permits	Percent of RHNA Permitted				
Cycle	Total Need	Permits Issued	All	Very Low Income	Low Income	Moderate Income	Above Moderate Income
1999-2006	230,743	213,024	92%	44%	79%	38%	153%
2007-2014	214,500	123,098	57%	29%	26%	28%	99%
2015-2023*	187,994	121,973	65%	15%	15%	25%	126%

* Only includes permits issued in 2015-2018

What local governments can do now:

- Access available planning funds and technical assistance, including via newly established LEAP and REAP grants programs.
- Review housing inventory from previous Housing Element
- Begin identifying sites
 - Sites that need to be rezoned to be reused
 - Prepare for larger RHNA allocation
- Start the rezoning process
- Consider objective design/development standards
- **Share this new housing context and related land use expectations with the community**

New State funding to assist local jurisdictions

- The 2019-2020 Budget Act included significant, one-time funding to assist local jurisdictions with implementing RHNA, including updating Housing Elements
- **Local Early Action Planning (LEAP) Grants Program**
 - Direct funding to local jurisdictions through population-based formula
 - HCD estimates ~\$25.5 million for Bay Area jurisdictions
- **Regional Early Action Planning (REAP) Grants Program**
 - Funding to ABAG to enhance RHNA process, develop housing technical assistance program, and support efforts to accelerate housing production
 - HCD estimates ~\$24 million allocation to ABAG
 - ABAG is requesting 25% (~\$5.9 million) in first quarter of 2020