

OneBayArea

SCS HOUSING METHODOLOGY COMMITTEE

San Francisco Bay Conservation and Development Commission
McAteer Petris Conference Room
50 California Street, Suite 3600, San Francisco, CA 94111

September 8, 2011 | 9:30 a.m.

Large Group Discussion Notes

General Comments:

- Need better transparency and communication
- This has been a moving target since the Alternative Scenarios have been changing
- Current unmet housing need is not considered in the method (small numbers in the North Bay compared to last time)
- In particular, there are areas where there are a lot of low-income commuters that still have low numbers
- Concern that the methodology is pushing the numbers for unincorporated areas too high
- Need to know about funding and how it will be disbursed before deciding on the methodology

HMC Requests:

- Access to spreadsheets to understand how numbers generated, including an explanation of how each factor affects the outcome
 - The results of the factors are sometimes counter-intuitive, so need to review data and explain results better
 - It would be helpful to look at one scenario and how the Factors and No Factors approach impact that one scenario.
 - Include a jurisdiction's share of the regional allocation for past RHNA to compare with current draft allocations.
 - Would like to see the impact of the 40% minimum in terms of total households
- Profile of PDAs and a list of the PDA-like areas
- "Tale of Two Cities:" a comparison of two similar cities and how/why their numbers differ, including step-by-step calculations for the cities to see how the formula is applied
- Comparison of household formation growth numbers for each city, locally-identified PDA numbers, PDA numbers from the Alternative Scenarios and the RHNA methodology options
- Show the income allocation, not just the total allocation
- Apply the SOI rules for each county
- Answers from HCD
 - How do vacant units affect the Housing Need Determination? Will the target vacancy rate (5 percent last time) be lower based on the current high level of vacancies?
 - What method is HCD proposing to use for the income distribution? Last time they relied on HUD income data that is not available this time.

Suggestions for Specific Factors:

- 40 percent minimum
 - Need to explain why it is not consistent across alternatives (Table 5), show the impact of applying the minimum and how it changes numbers (Table 4)
 - Maybe it should not apply to unincorporated areas (Table 6)
- Past RHNA Performance
 - Use zoning instead of permitting for RHNA performance factor (Table 7)
 - Weight RHNA performance higher (Table 7)
 - Use total number of permits, instead of percent achieved (Table 5)
- Home Values
 - Need to explain what this represents, why included (Table 2)
 - Results often counter-intuitive – need to check data and explain (Table 2)
 - Scoring should be within a county instead of region-wide (Table 2)
- Employment
 - Should be weighted higher (Table 2)
 - Consider a threshold for the amount of employment (Table 2)
 - Use total jobs (Table 4)
 - Use job growth or jobs-housing balance (Table 2)
- Transit
 - Has unintended effects – need to check and explain (Table 5)
 - Look at the type of transit—BART different than a bus (Table 2)
- 175 Percent Shift
 - May need to be revisited and possibly to be paired with other factors, such as using net low-income commuters or a cap on the absolute value of very low- and low-income units (Table 5)
 - Maybe Home Values should be included here (Large Group)
- Other
 - PDA-like places should be included as part of Sustainability Component, not as part of Fair Share Component (Table 1)
 - Include low-income commuters (Table 4)

Small Group Discussion Notes

Notes from Table #1

Participants

- Linda Jackson
- Vu-Bang Nguyen
- Pete Parkinson
- Laurel Prevetti
- Christy Riviere

Moderator: Sailaja Kurella

Question 1: Is the 40% minimum housing floor sufficient to promote housing in areas of opportunity?

Final answer: The 40% rule seems to be appropriate.

Question 2: If the 40% minimum is not sufficient, what factors should be included?

Final answer: In general, no other factors were necessary as the application of them provided marginal changes to the PDAs.

Comments:

- However, the employment factor could be useful, because the need for housing comes from employment as well as from natural increase.
- The SCS Scenarios need to more explicitly move PDA-like places up into the 70% sustainability bucket.
- Would like to know the methodology used for each factor, particularly the employment factor. Felt that using jobs outside of the PDAs for the employment factor unfairly affects San Jose.
- Felt explanation of household formation was confusing and would like to get a more clear definition and a description of the methodology.
- Would like to know the HH formation rate for each city.
- The rationale and methodology for the 70/30 sustainability split was very unclear to the group.
- Concerned that the unincorporated areas were being pushed too high.

Notes from Table #2

Participants

- Bena Chang
- Pat Eklund
- Barbara Kondylis
- Stacey Laumann
- Tina Wehrmeister

Moderator: Marisa Raya

Question 1: Is the 40% minimum housing floor sufficient to promote housing in areas of opportunity?

Final answer: All members but one supported the 40% minimum floor. The one person who did not support it pointed out that the cities affected were not the most sustainable places for growth.

Comments:

- The table was curious as to the region-wide impact of the 40% floor, in terms of number of households.

Question 2: If the 40% minimum is not sufficient, what factors should be included?

Final answer: The table supported the use of factors overall, with strong support for including home values. However, the current methodology for applying factors is not achieving the desired results with regards to employment, transit, and home values. Details follow.

Comments:

- For the Employment factor, cities with enormous job growth are not getting a sufficient amount of housing. For example, Walnut Creek has exponentially more job growth than Antioch, but Antioch has a far larger housing number. Employment should be weighted more, though perhaps based on jobs-housing balance rather than total employment increase. (So, for example, cities like San Jose which already provide a lot of housing do not get further weighted for adding employment.)
- For Transit, some cities with BART stations (Pleasanton, Lafayette) are receiving a lower transit score and weight than cities that only have bus service. While this is possibly because the bus system provides more geographic coverage of the jurisdiction, the factor weight should account for the superiority of BART for attracting work commuters.
- For Home Values, the differences between the two columns show that inclusion of home values in many areas actually had the opposite affect of what might be anticipated. For example, Novato has high home values (Councilmember Eklund thinks the data is wrong) but receives a lower allocation when home values are included and a higher allocation when they are not. This is also true in San Ramon. The reverse is true on all accounts for Vallejo. We found several other cities along these lines. The group speculated that the weighting held the total weight constant rather than adding home values as an additional weight on top of the other factors and that maybe this could be fixed. One member recommended looking at the County average home values.
- There was a concern that ABAG lobby HCD to recognize the reality of high vacancy rates for many jurisdictions. Antioch would rather focus on incentivizing households to move into or rehab vacant units than build new ones, though they still have developers interested in building single family homes.

Notes from Table #3

Participants

- Paul Campos
- Jean Hasser
- Sam Tepperman-Gelfant
- Rick Tooker
- Matt Walsh

Moderator: Jackie Reinhart

Question 1: Is the 40% minimum housing floor sufficient to promote housing in areas of opportunity?

Final answer: Approve of the 40% but want factors also

Comments:

- One person questioned why 40 percent was chosen, since the numbers for 40 percent versus 60 percent were not shared.

Question 2: If the 40% minimum is not sufficient, what factors should be included?

Final answer: The Three Factors approach seems to be best, but more information is needed about what is causing inconsistencies in the Four Factors approach with the addition of the Home Values factor.

Comments:

- The home values factor seems to be pushing numbers in high value areas, but it is not consistent across. It seems to create inconsistencies in the logic of using home values. For example, in Solano County where there are generally lower home values, the housing numbers go up. This seems wrong. Please explain the methodology and double check for any errors. If a factor can't be explained, don't include it.
- For Solano County the no factor approach does not make sense. The 40 percent boosts up the numbers in unincorporated Solano County too much where the County does not have services. The allocation for some other unincorporated counties seems high as well. Adding other factors in addition to the 40 percent seems to help reduce the numbers for unincorporated areas, such as the Three Factors approach.
- Using a factors approach seems better than going with a no factor approach. The Three Factors seem better since the Four Factor approach seems to make the resulting numbers more confusing/inconsistent. The Three Factors approach also seems to be bumping up the right places.
- The group liked simplicity, but thinks the factors approach will help gain support for the methodology.
- It would be helpful to look at one scenario and how the Factors and No Factors approach impact that one scenario.
- It would also be helpful to have the share of the regional allocation to be able to compare past RHNA with current draft allocations.
- The methodology needs to reflect the sphere of influence agreements.

Notes from Table #4

Participants

- Sasha Hauswald
- Rebecca Kaplan
- Jake Mackenzie
- Steve Zengel

Moderator: JoAnna Bullock

Question 1: Is the 40% minimum housing floor sufficient to promote housing in areas of opportunity?

Final answer: The 40 percent minimum appears to be sufficient but it is difficult to discern in areas like Albany that is close to transit, close to open space, has great schools yet even though their number increased to meet the 40% minimum, their housing number is still very small.

Comments:

- It would be useful to see a jurisdiction's 70% going to PDAs and the 30% that will be subject to the fair share factors.

Question 2: If the 40% minimum is not sufficient, what factors should be included?

Final answer: The factors seem useful provided they are moving growth to the right places. It seems somehow counter productive to move growth, particularly of low income residents, to remote areas that don't have transit. It is not clear if the factors should have equal weighting but a better understanding of how the numbers were generated would be helpful for example, a spreadsheet that shows calculations for each of the factors.

Comments:

- A factor like net low income commuters seems very appropriate for these purposes.

Notes from Table #5

Participants

Moderator: Justin Fried

- David Early
- David Grabill
- Jeff Levin
- Val Menotti

Question 1: Is the 40% minimum housing floor sufficient to promote housing in areas of opportunity?

Final answer: This is okay, but need to explain why the 40% for a jurisdiction is not consistent across all alternatives.

Question 2: If the 40% minimum is not sufficient, what factors should be included?

Final answer: Not much reason for three or four factors as currently shown, since there is not much variation. But this points to revisiting how the factors are ranked and weighted, not necessarily scrapping.

Comments:

- Difficulty understanding the resulting numbers from the framework and factors.
- Contra Costa seems to be where there are differences when the different factor scenarios are applied.
- With current weighting, don't see much difference, not much reason to complicate. Should revisit how the factors are scored or weighted to do what is intended.
- Not sure transit factor is doing what we wanted. Might counter other weightings at key places. What would it look like without the transit factor?
- Net low-income commuting should also be considered for the income distribution.
- PDA-like allocation should be done within the 70% sustainability component.

Notes from Table #6

Participants

- Diane Dillon
- Steve Piasecki
- Steve Ross
- Andy Wagoner

Moderator: Doug Johnson

Question 1: Is the 40% minimum housing floor sufficient to promote housing in areas of opportunity?

Final answer: The 40 percent minimum appears adequate but it may be too low. It must be adjusted for no-growth unincorporated counties.

Comments:

- The 40% figure offers a 60% discount for these jurisdictions. The committee should consider 45% or 50% thresholds.
- The spread of growth to the inner/outer Bay Area geographies is likely much more important in the draft RHNA than the 40% floor.
- Unincorporated counties with slow/no-growth policies must be considered (Solano, Napa, Santa Clara were named explicitly)
- The sphere-of-influence adjustment is needed, as well as an analysis of urban service areas (USAs)

Notes from Table #7

Participants

- Laura Kuhn
- Katie Lamont
- Julie Pierce
- Maureen Riordan
- Andrew Smith
- Evelyn Stivers

Moderator: Katie Gladstein

Question 1: Is the 40% minimum housing floor sufficient to promote housing in areas of opportunity?

Final answer: Approve of the 40% but want factors also

Comments:

- Can we make 40 percent happen in small communities? Will it be enforced or funded?
- Factors are important to include because it will drive the numbers down in places that don't have employment or transit.
- Past-production should be weighted higher so disproportionate providers of more housing receive a significantly lower allocation. But, this may result in conflicts with SCS/Smart Growth principles that would keep higher allocations in denser, Inner Bay locations.
- Past production is more difficult in older, more built-out places. However, lots of cities that think of themselves as 'built out' have been able to build more density.
- The blend of the 40 percent with factors produces a better, more thoughtful methodology, but makes it more complicated to explain or understand.
- Members want to be able to see how much growth jurisdictions asked for in PDAs based on the Initial Vision Scenario (for example, there were concerns that Richmond's allocation was too high, but members thought perhaps Richmond had volunteered that level of growth, in which case it wouldn't make sense to reduce the allocation).
- All but one member liked the 40 percent, the one who did not like it agreed it should be approved to allow us to move forward with the process.

Question 2: Which factors should be included?

Final answer: RHNA performance (zoning and permitting), employment, transit

Comments:

- Want to see affordability ratios.
- Want to use zoning in addition to permitting as the past-performance factor – cities are not developers and permitting is too market driven, cities should be rewarded for having zoned towards their RHNA allocation.
- Because permitting requires zoning, perhaps just zoning would be sufficient, but basing past-performance solely on permitting is not sufficient.
- Home values were originally included as a proxy for schools and areas of opportunity. Members feel that bringing housing to areas of opportunity is important, but that home values is not linked directly enough, and the 40 percent minimum threshold is adequate to bringing growth to high-opportunity jurisdictions.