

Regional Housing Needs Allocation (RHNA) Cycle 7 Preview

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ABAG General Assembly



ASSOCIATION
OF BAY AREA
GOVERNMENTS

What is RHNA?

State law requires all jurisdictions to meet local housing needs.

State



Determines
total number of
housing units,
by income
group, for the
region

ABAG



Allocates
housing units,
by income
group, to each
jurisdiction

Jurisdictions



Update
Housing
Elements to
accommodate
housing units

Summary of RHNA Statutory Objectives

- ✓ Increase housing supply, mix, and affordability equitably.
- ✓ Promote infill development, efficient growth patterns, and reduced greenhouse gas emissions.
- ✓ Improve jobs-housing balance, particularly for low-wage workers.
- ✓ Address disproportionate income distributions across jurisdictions.
- ✓ Affirmatively further fair housing.



Photo by Karl Nielson

Process Overview

1. Regional Housing Need Determination (RHND)

State Housing and Community Development (HCD) Department issues total number of housing units by affordability level to be accommodated in the region.



2. Draft Methodology Development

ABAG develops draft methodology to allocate RHND to local jurisdictions.



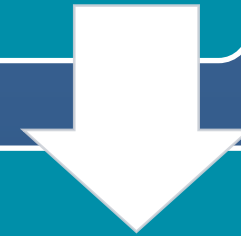
3. Methodology Approval by HCD and Draft Allocations

ABAG submits draft allocation methodology to HCD for approval. ABAG issues draft allocations.

Process Overview (continued)

4. Appeals and Final Allocations

HCD and jurisdictions can appeal allocations. ABAG acts on appeals and issues final allocations.



5. Housing Elements

Local jurisdictions update Housing Element of General Plan to accommodate allocation.

RHNA Methodology

- ABAG's primary role is to develop the methodology to allocate RHND to local jurisdictions.
- ABAG must consider factors in state law.
- Housing Methodology Committee (HMC) advises staff; comprised of elected officials, stakeholders, and local staff.



Photo by Noah Berger

Subregions

State law allows two or more jurisdictions to form a subregion to allocate their share of regional housing need to participating jurisdictions.

Regional Process



Subregional Process



Subregion Requirements

Composition:

- Any combination of local governments
- Must be geographically contiguous
- Must include the unincorporated county

Duties:

- Develop allocation methodology
- Allocate housing units
- Conduct appeals process
- Meet state requirements

Cycle 4 Subregions

- San Mateo County

Cycle 5 Subregions

- Napa County
- San Mateo County
- Solano County

Cycle 6 Subregions

- Solano County



Benefits of a Subregion



Fosters
collaboration
and new
opportunities for
local jurisdiction
partnerships



Facilitates
dialogue
between
jurisdictions and
the public on
housing issues



Allows allocations
that may be
more tailored to
local context



Promotes
alignment
between local
and regional
needs



Challenges of a Subregion



Subject to
**significant
scrutiny and
oversight by
state**



Requires a
**substantial
commitment of
resources and
staff time**

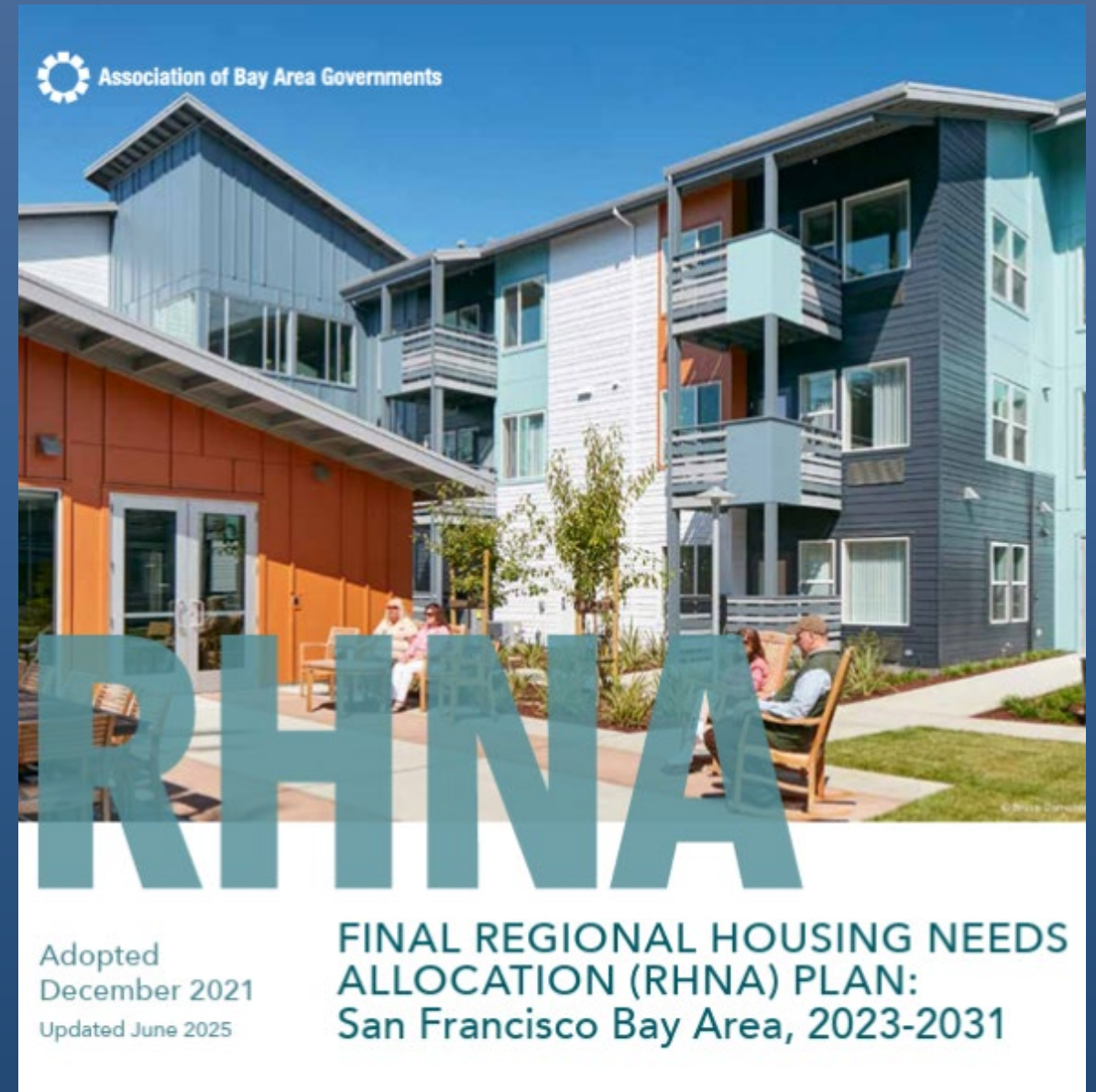


Potential for
**lack of
compromise**
among
jurisdictions



RHNA Cycle 6 Reflections

- HMC effective and data-driven; good mix of members
- Regular communication with local jurisdictions was important
- Efficient but time-consuming appeals process (28 appeals; 6 public hearings)
- Robust ABAG support for Housing Element preparation (99% certified in region)



Common RHNA Misconceptions



Misconception	Clarification
ABAG determines RHND	State HCD determines RHND
ABAG determines where housing is placed within jurisdictions	Local jurisdictions determine where housing is placed
ABAG has unrestricted discretion to act on appeals	ABAG must decide appeals based on statutory limits
RHNA is the only component of Housing Elements	Housing Elements address more than RHNA allocation
ABAG enforces Housing Element requirements	State HCD enforces Housing Element requirements

Key Changes Since Last RHNA Cycle



Key Change #1: Earlier RHND



RHND provided one year earlier

- Provided three years prior to Housing Element deadline (vs. two years in prior cycles)
- Provided by January 31, 2028



Key Change #2: Homelessness



Consideration of homelessness in RHND

- HCD required to consider the housing needs of individuals and families experiencing homelessness in RHND.
- HCD required to consult with ABAG during determination.

Key Change #3: Comparisons



Cost burden and overcrowding

- HCD must consider rate of housing cost burden and overcrowding in the region compared to the national rate.
- Previously, HCD compared the regional rate to the rates of other similar regions.

Key Change #4: New Income Groups



Acutely low- and extremely low-incomes

- The RHND, RHNA, and Housing Elements must include separate categories for acutely low- and extremely low-income households.
- Acutely low-income = 0 – 15% AMI
- Extremely low-income = 15 – 30% AMI
- Previously, included in very low-income category (0 – 50% AMI)

Key Change #5: Climate Change

Climate change constraints in RHNA

- RHNA methodology must consider climate-related development constraints, such as:
 - Evacuation route capacity
 - Wildfire risk
 - Sea level rise
- Considered alongside other required factors.

Key Change #6: Subregions

Subregion allocation same share as last cycle

- Allocation to subregion must be the same proportion as the subregion's share from the last RHNA cycle.
- Example:
 - Cycle 6: Subregion received 5% of RHND
 - Cycle 7: Subregion receives 5% of RHND



Important Considerations for RHNA 7



Size of Allocations

RHND for Cycle 7 may be larger due to changes in state law resulting in larger allocations to local jurisdictions.

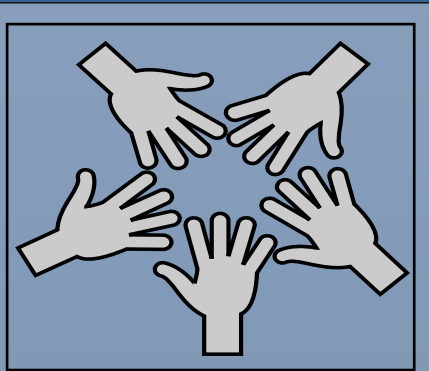


Allocation Timeline

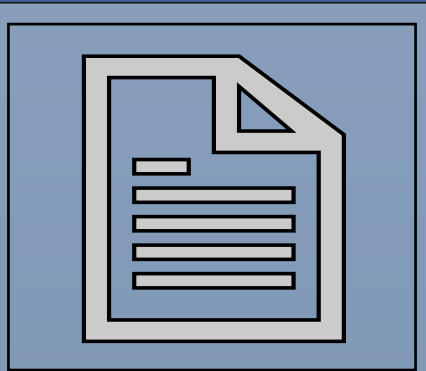
Since the RHND will be issued one year earlier, the RHNA methodology can be informed by the RHND earlier than in previous cycles, allowing a more linear process.

ABAG Support for Housing Elements

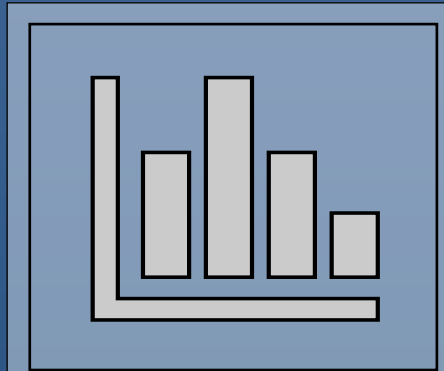
- **Cycle 6:** ABAG's **Regional Housing Technical Assistance** program was funded by \$31 million in one-time Regional Early Action Planning (REAP) dollars.



County
collaboratives



Technical
guidance



Data tools

- **Cycle 7:** Due to REAP sunsetting at the end of 2026, regional technical assistance may be more limited due to financial constraints; **funding level and source(s) still to be determined.**

Timeline

Key Milestone	Date
ABAG consults 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*
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 Elements due (statutory deadline)	January 31, 2031

* Statutory deadline is September 30, 2028. Due to the requirements involved in forming subregions, consistent with previous cycles, subregions are encouraged to form in early 2028.

Dates are tentative and subject to change. Staff are exploring ways to accelerate the timeline to adopt the Final RHNA Plan earlier.