



MEMO

To: ABAG Executive Board
From: Alex Amoroso, Senior Planner
Date: 5/18/00
Subject: Regional Housing Needs Determination (RHND) Update

Introduction

At the March 16 Executive Board meeting, staff was directed to take the following actions:

- Work with the State to gain a six month legislative extension for the allocation process.
- Review the jobs/housing weighting ratio and determine whether “smart growth” principles can be better addressed through the use of a different ratio.
- Review the Sphere of Influence (SOI) allocations and options for modifying the distribution of those allocations between the cities and counties.

ABAG’s requested extension has been attached to AB1744 (Longville). The Local Government Committee has approved the bill. Staff will continue to update all jurisdictions about the extension process. We expect that the extension will be granted and have attached a revised RHND process calendar to this report.

Since the March 16 meeting, staff has brought together the Housing Methodology Committee (HMC) to discuss options related to the jobs/housing ratio and SOI allocation issues. The discussion section of this report defines these issues and HMC recommendations.

Discussion

Sphere of Influence Allocation Modification

Staff has received feedback from the State Department of Housing and Community Development (HCD) that placing all RHND allocations that are assigned to the unincorporated SOI with the counties is not acceptable. HCD’s concern is that the allocations will not be adequately planned for, and that the potential units would not be built.

Under **the** current process, all unincorporated SOI allocations have been left with the counties. An allowance was given for letting cities and counties work out the redistribution of the allocations. To

date, no group of cities and counties has been able to reach agreement on the redistribution of the unincorporated SOI allocations.

Unincorporated SOI allocations are determined through the Projections process. Since ABAG does not know exactly what will be annexed or not, it is difficult to determine a method for identifying and allocating the associated need.

Staff presented the HMC with a 50/50 split or placing 100% of the allocation with the cities. The HMC suggested that the 50/50 split would be the lesser of the two evils. Staff concurs that a 50/50 split would be appropriate, and that it might spark renewed interest and dialogue between cities and counties.

Modification of the jobs/housing Weighting Ratio and Evaluation of the “jobs bank”

Staff has developed, and worked with the HMC to evaluate, modifications to the jobs/housing weighting ratio in the RHND methodology. This review is prompted by the Executive Board’s request to see the RHND better reflect “smart growth” concepts; in this case, the transferring of allocations from those cities which are housing rich and job poor to those cities which are job rich and housing poor. The affect of increasing the weighting factor for jobs would be to allocate more RHND units to those cities creating jobs.

In reviewing the potential modifications to the weighting ratio, staff discovered that many jurisdictions which are housing rich and job poor are attempting improve their job/housing ratio by increasing their number of jobs. Those jurisdictions that are planning to create jobs to bring about closer jobs housing relationship would be impacted by the current methodology. They too would notice increases in their RHND allocation as a result of changing the job factor weighting.

With this realization in mind, staff has created a “job bank” concept. It is based on a given jurisdiction’s relationship to the regional average of jobs/ housing ratio (1.42 jobs per household). This “job bank” can be built into the methodology and would modify allocations by recognizing job deficient jurisdictions. It would have the affect of allowing jurisdictions that are housing rich and job poor to create a number of jobs, without being effected by the job portion weighting factor.

An eight page attachment shows the affect of a shift in the j/h weighting ratio (10/90, 30/70, 50/50, 70/30) both with and without the “job bank” factor. A ninth page (in color) shows graphically what would occur on a county by county basis as a result of the shifts.

In reviewing the possible modifications to the methodology, it is clear that several general trends occur. As the jobs portion of the weighting factor is increased:

- Housing allocations generally increase in the cities that are producing the greatest number of jobs.
- Allocations to most unincorporated areas drop.
- Housing allocations move from the North, and far East Bay areas towards the South Bay and Peninsula areas.
- Large cities with large numbers of jobs (ie, San Francisco, San Jose) sustain the largest increases in allocations.
- The “jobs bank” factor has an increased impact as the jobs weighting increases.

The evaluation of these scenarios suggests that “smart growth” concepts are best served by increasing the jobs weighting in the RHND methodology. Be cautioned that this is partially true, but the argument also includes some flaws.

The RHND process is meant to increase the supply of housing in the Bay Area. The best way to do this is to focus housing allocations where housing supply is anticipated to increase. Under lower jobs weighting factor, results in more housing units being focussed in those communities that have produced and are expected to continue to produce predominantly more housing as compared to jobs.

Focussing housing allocations in jurisdictions that have been predominantly job producers could create a situation in which those jurisdictions would be burdened with housing allocations that could not possibly be planned for in the RHND planning period (1999-2006).

The Bay Area’s patterns of development have been set for at least two decades. These patterns of development cannot be changed overnight, nor by just the RHND process. The change in these patterns will be incremental, and the Board should consider a longer term approach to that change.

On the other hand, it is essential to begin to change these long term patterns, if the Bay Area is to grow in a “smarter” way. The RHND process is one of several opportunities that the region has to address “smart growth” concepts. Placing a portion of the burden for revamping the Bay Area on the RHND process is appropriate.

The Housing Methodology Committee has reviewed the j/h weighting ratio and “jobs bank” options and provided staff with input. The committee vote is closely split across the weighting spectrum, and almost evenly split on whether or not to use the “jobs bank”. A final tally of the HMC votes will be available at the Executive Board meeting.

Actions Requested

1. Approve the revised calendar, assuming that an extension will be granted by the State Legislature.
2. Choose a revised SOI allocation percentage (50% split between cities and counties, or 100% to the cities).
3. Choose a jobs/housing weighting ratio, and determine whether or not to use the “job bank” factor in the RHND methodology.

Attachment

Option 1: Existing RHND meth.
 Option 2: Alternate j/h weighting factor
 Option 3: "Jobs Bank" factor w/ alternate j/h weighting

RHND Model w/ Optional Jobs/Housing Balance Weighting

JURISDICTION	10/90 Split		30/70 Split		50/50 Split		70/30 Split	
	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"
	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation
ALAMEDA	1,559	1,267	1,860	986	2,162	704	2,463	422
ALBANY	132	87	205	67	277	48	349	29
BERKELEY	721	805	995	1,245	1,269	1,685	1,542	2,126
DUBLIN	4,891	5,083	4,816	5,399	4,741	5,713	4,666	6,027
EMERYVILLE	677	715	727	842	777	969	827	1,096
FREMONT	6,612	6,738	6,660	7,038	6,708	7,337	6,755	7,636
HAYWARD	1,861	2,022	2,286	2,769	2,711	3,516	3,135	4,263
LIVERMORE	3,889	4,083	4,039	4,624	4,190	5,164	4,340	5,705
NEWARK	989	1,057	1,120	1,321	1,250	1,586	1,379	1,850
OAKLAND	4,677	3,681	6,205	3,218	7,733	2,754	9,261	2,290
PIEDMONT	29	22	40	17	49	12	59	7
PLEASANTON	4,537	4,770	4,742	5,441	4,947	6,112	5,152	6,783
SAN LEANDRO	1,023	1,053	947	1,034	871	1,016	795	998
UNION CITY	2,626	2,524	2,270	1,963	1,913	1,402	1,557	841
ALAMEDA UNINCORPORATED	11,763	11,614	9,479	9,033	7,195	6,452	4,911	3,871
County Total	45,986	45,521	46,391	44,997	46,793	44,470	47,191	43,944

Note:
Independent Rounding May affect totals

Option 1: Existing RHND meth.
 Option 2: Alternate j/h weighting factor
 Option 3: "Jobs Bank" factor w/ alternate j/h weighting

RHND Model w/ Optional Jobs/Housing Balance Weighting

JURISDICTION	10/90 Split		30/70 Split		50/50 Split		70/30 Split	
	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"
	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation
ANTIOCH	5,698	5,414	5,064	4,211	4,430	3,008	3,795	1,805
BRENTWOOD	6,100	5,947	5,084	4,626	4,069	3,304	3,053	1,982
CLAYTON	768	764	607	594	447	424	286	255
CONCORD	1,608	1,627	1,916	1,973	2,224	2,318	2,532	2,663
DANVILLE	1,409	1,336	1,260	1,039	1,110	742	960	445
EL CERRITO	222	208	204	162	185	116	167	69
HERCULES	1,059	1,013	925	788	792	563	659	338
LAFAYETTE	243	231	219	179	194	128	169	77
MARTINEZ	982	1,055	1,145	1,365	1,308	1,675	1,471	1,984
MORAGA	246	228	230	178	214	127	198	76
OAKLEY	874	712	1,041	554	1,208	396	1,375	237
ORINDA	323	313	271	243	220	174	169	104
PINOLE	327	303	308	236	288	169	268	101
PITTSBURG	2,634	2,434	2,497	1,896	2,360	1,358	2,223	820
PLEASANT HILL	572	543	607	518	641	493	675	467
RICHMOND	1,599	1,260	2,060	1,043	2,521	826	2,981	608
SAN PABLO	266	189	380	147	494	105	608	63
SAN RAMON	4,254	4,447	4,320	4,903	4,387	5,359	4,454	5,816
WALNUT CREEK	1,256	1,319	1,304	1,493	1,352	1,666	1,400	1,839
CONTRA COSTA UNINCORPORATED	10,083	9,934	8,174	7,726	6,264	5,519	4,355	3,311
County Total	40,523	39,277	37,616	33,874	34,708	28,470	31,798	23,060

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RHND Model w/ Optional Jobs/Housing Balance Weighting

JURISDICTION	10/90 Split		30/70 Split		50/50 Split		70/30 Split	
	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"
	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation
BELVEDERE	18	18	14	14	10	10	7	6
CORTE MADERA	99	110	136	171	175	232	213	293
FAIRFAX	79	76	68	59	58	42	47	25
LARKSPUR	103	123	180	238	257	353	334	468
MILL VALLEY	202	189	186	147	170	105	155	63
NOVATO	2,252	2,285	2,411	2,509	2,570	2,732	2,729	2,956
ROSS	19	20	20	23	21	26	22	29
SAN ANSELMO	192	185	164	144	137	103	109	62
SAN RAFAEL	1,951	2,044	2,001	2,280	2,051	2,516	2,101	2,752
SAUSALITO	177	181	159	172	143	164	126	156
TIBURON	150	136	147	106	144	75	142	45
MARIN UNINCORPORATED	1,321	1,311	1,051	1,019	782	728	512	437
County Total	6,563	6,678	6,537	6,882	6,518	7,086	6,497	7,292
AMERICAN CANYON	1,306	1,191	1,268	926	1,231	662	1,194	397
CALISTOGA	192	199	183	202	174	206	164	209
NAPA	2,959	2,588	3,127	2,013	3,294	1,438	3,461	863
ST. HELENA	130	137	136	157	142	176	148	195
YOUNTVILLE	79	83	83	95	87	108	91	120
NAPA UNINCORPORATED	1,772	1,882	1,955	2,287	2,138	2,692	2,321	3,097
County Total	6,438	6,080	6,752	5,680	7,066	5,282	7,379	4,881
SAN FRANCISCO	14,396	15,585	17,383	20,950	20,371	26,315	23,360	31,680

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RHND Model w/ Optional Jobs/Housing Balance Weighting

JURISDICTION	10/90 Split		30/70 Split		50/50 Split		70/30 Split	
	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"
	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation
ATHERTON	113	106	141	115	167	124	193	133
BELMONT	271	234	294	182	317	130	339	78
BRISBANE	346	368	386	453	426	539	467	624
BURLINGAME	282	321	423	541	564	760	706	980
COLMA	44	49	59	73	74	98	89	122
DALY CITY	978	802	1,150	624	1,323	446	1,495	267
EAST PALO ALTO	1,005	842	1,143	655	1,282	468	1,420	281
FOSTER CITY	659	690	674	768	690	846	706	924
HALF MOON BAY	758	750	608	583	458	416	308	250
HILLSBOROUGH	137	136	111	106	85	75	58	45
MENLO PARK	542	606	761	958	982	1,309	1,202	1,660
MILLBRAE	450	427	396	332	343	237	291	142
PACIFICA	999	974	833	758	666	541	499	325
PORTOLA VALLEY	137	137	109	107	80	76	51	46
REDWOOD CITY	1,889	2,015	2,121	2,496	2,352	2,978	2,584	3,460
SAN BRUNO	213	155	296	120	378	86	461	52
SAN CARLOS	129	154	236	315	344	475	452	635
SAN MATEO	1,947	2,075	2,180	2,564	2,414	3,054	2,648	3,544
SOUTH SAN FRANCISCO	1,477	1,526	1,404	1,551	1,330	1,575	1,257	1,600
WOODSIDE	65	64	52	50	40	36	27	21
SAN MATEO UNINCORPORATED	2,018	2,102	2,005	2,255	1,991	2,409	1,978	2,562
County Total	14,459	14,533	15,382	15,606	16,306	16,678	17,231	17,751

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RHND Model w/ Optional Jobs/Housing Balance Weighting

JURISDICTION	10/90 Split		30/70 Split		50/50 Split		70/30 Split	
	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"
	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation
CAMPBELL	1,068	1,086	923	975	777	865	631	755
CUPERTINO	4,212	4,342	3,952	4,342	3,692	4,341	3,432	4,340
GILROY	3,677	3,837	3,693	4,173	3,710	4,510	3,726	4,847
LOS ALTOS	300	280	278	218	256	156	234	93
LOS ALTOS HILLS	70	61	77	47	83	34	89	20
LOS GATOS	206	232	295	373	385	514	474	656
MILPITAS	2,745	3,012	3,525	4,325	4,304	5,639	5,084	6,952
MONTE SERENO	124	123	99	96	74	68	49	41
MORGAN HILL	2,991	3,057	2,687	2,883	2,383	2,708	2,079	2,534
MOUNTAIN VIEW	2,941	3,113	3,181	3,695	3,420	4,278	3,660	4,861
PALO ALTO	1,001	1,070	1,140	1,348	1,278	1,625	1,417	1,902
SAN JOSE	24,950	25,752	25,246	27,651	25,542	29,549	25,837	31,448
SANTA CLARA	4,228	4,612	5,284	6,434	6,339	8,255	7,394	10,077
SARATOGA	590	542	564	422	538	301	512	181
SUNNYVALE	3,713	3,881	3,761	4,265	3,809	4,648	3,858	5,032
SANTA CLARA UNINCORPORATED	1,240	1,079	1,320	839	1,401	599	1,482	360
County Total	54,056	56,079	56,025	62,086	57,991	68,090	59,958	74,099

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RHND Model w/ Optional Jobs/Housing Balance Weighting

JURISDICTION	10/90 Split		30/70 Split		50/50 Split		70/30 Split	
	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"
	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation
BENICIA	181	111	297	87	413	62	528	37
DIXON	1,359	1,249	1,344	1,016	1,330	783	1,317	550
FAIRFIELD	3,287	3,012	3,168	2,343	3,049	1,673	2,930	1,004
RIO VISTA	2,175	2,146	1,756	1,669	1,337	1,192	918	715
SUISUN CITY	921	814	953	633	985	452	1,018	271
VACAVILLE	4,339	3,980	4,174	3,095	4,008	2,211	3,843	1,327
VALLEJO	2,950	2,635	2,994	2,050	3,038	1,464	3,082	878
SOLANO UNINCORPORATED	7,434	7,471	5,977	6,089	4,520	4,708	3,064	3,326
County Total	22,646	21,418	20,663	16,982	18,681	12,545	16,700	8,108

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 Option 2: Alternate j/h weighting factor
 Option 3: "Jobs Bank" factor w/ alternate j/h weighting

RHND Model w/ Optional Jobs/Housing Balance Weighting

JURISDICTION	10/90 Split		30/70 Split		50/50 Split		70/30 Split	
	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"
	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation
CLOVERDALE	413	370	414	288	415	206	417	123
COTATI	483	416	522	323	563	231	603	139
HEALDSBURG	593	539	579	419	566	299	553	180
PETALUMA	597	416	867	323	1,133	232	1,400	142
ROHNERT PARK	878	972	1,170	1,449	1,462	1,930	1,754	2,409
SANTA ROSA	5,465	5,865	6,339	7,543	7,210	9,220	8,088	10,897
SEBASTOPOL	157	174	210	260	262	345	314	431
SONOMA	578	560	491	435	403	311	316	187
WINDSOR	3,471	3,439	2,771	2,674	2,071	1,910	1,371	1,146
SONOMA UNINCORPORATED	13,041	12,821	10,632	9,972	8,222	7,123	5,813	4,274
County Total	25,676	25,572	23,994	23,686	22,308	21,807	20,629	19,928

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RHND Model w/ Optional Jobs/Housing Balance Weighting

JURISDICTION	10/90 Split		30/70 Split		50/50 Split		70/30 Split	
	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"	Without "Jobs Bank"	With "Jobs Bank"
	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation	RHND Allocation
ALAMEDA COUNTY	45,986	45,521	46,391	44,997	46,793	44,470	47,191	43,944
CONTRA COSTA COUNTY	40,523	39,277	37,616	33,874	34,708	28,470	31,798	23,060
MARIN COUNTY	6,563	6,678	6,537	6,882	6,518	7,086	6,497	7,292
NAPA COUNTY	6,438	6,080	6,752	5,680	7,066	5,282	7,379	4,881
SAN FRANCISCO	14,396	15,585	17,383	20,950	20,371	26,315	23,360	31,680
SAN MATEO COUNTY	14,459	14,533	15,382	15,606	16,306	16,678	17,231	17,751
SANTA CLARA COUNTY	54,056	56,079	56,025	62,086	57,991	68,090	59,958	74,099
SOLANO COUNTY	22,646	21,418	20,663	16,982	18,681	12,545	16,700	8,108
SONOMA COUNTY	25,676	25,572	23,994	23,686	22,308	21,807	20,629	19,928
Regional Total	230,743	230,743	230,743	230,743	230,743	230,743	230,743	230,743

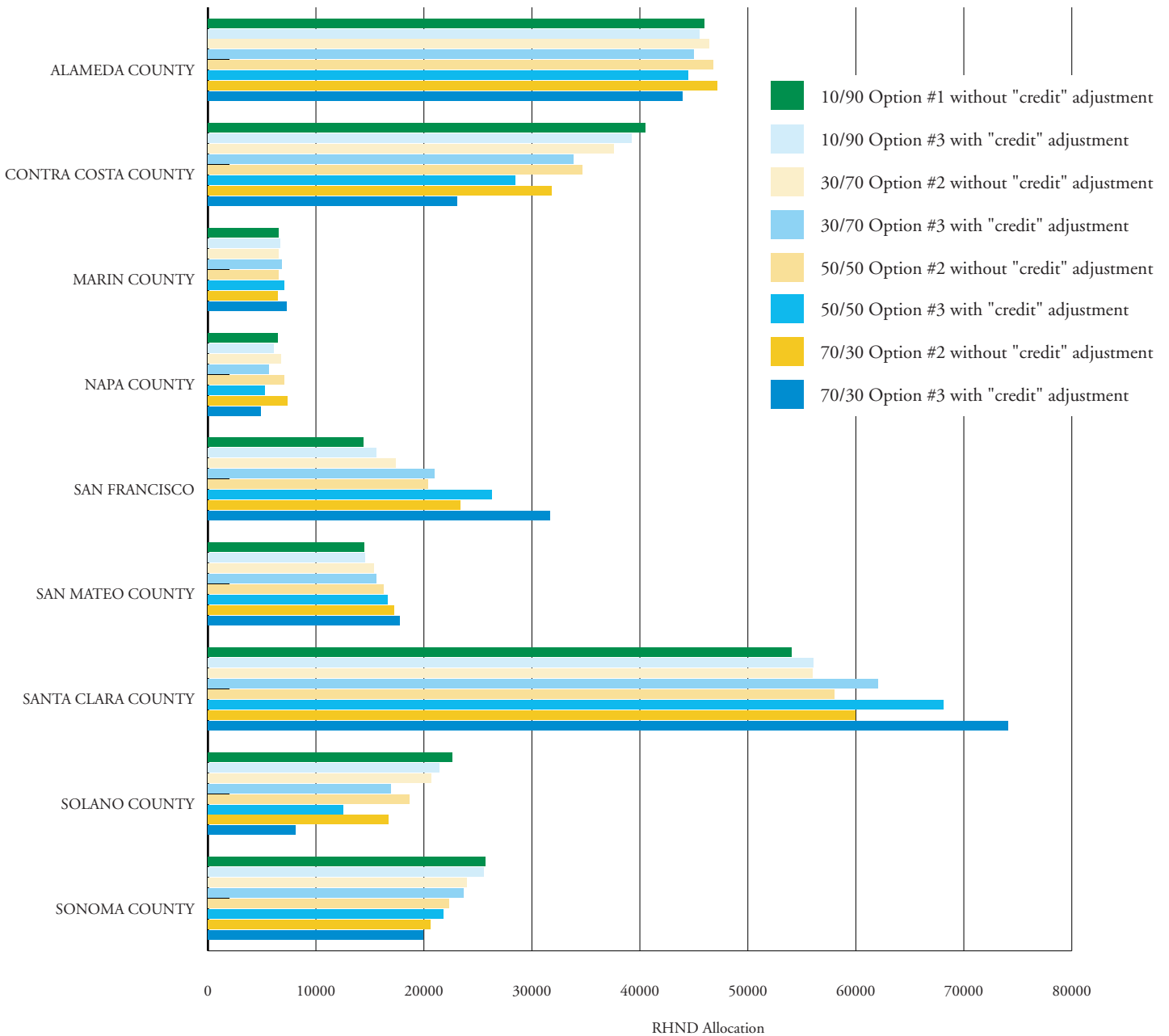
General observations:

- 63 Bay Area jurisdictions will see a decrease in their RHND allocation with the "jobs bank" factor.
- 46 Bay Area jurisdictions will see an increase in their RHND allocation with the "jobs bank" factor.

RHND Model

With/without "Credit" Adjustment

County Summary



General Observations:

63 Bay Area jurisdictions will see a decrease in their RHND allocation with "Job Bank" factor (Option #3).

46 Bay Area jurisdictions will see an increase in their RHND allocation with "Job Bank" factor (Option #3).