



MEMO

To: Interested Parties

From: Paul W. Fassinger, Research Director, ABAG
Alex Amoroso, Senior Planner ABAG

Re: Bay Area Housing Needs Determination

Date: April 2, 1999

This memorandum briefly describes the Housing Needs Determination process for the Bay Area. It includes the methodology, and a schedule assuming that the State 1999/2000 budget directs ABAG to participate in a regional housing needs process. Housing needs determinations have been suspended for a number of years, but existing state law identifies a cycle for individual regions make determinations. Southern California is the first region to perform the work, followed a year later by Bay Area. The State's FY 1998/99 budget allocated funds, and directed Southern California to prepare its determination, and we expect that the Bay Area's determination will be ordered with the beginning of the new fiscal year on July 1, 1999.

1999 Housing Needs Determination for the Bay Area

California State law (Government Code Section 65584) requires that each Council of Government periodically identifies the local housing need. The Association of Bay Area Governments (ABAG), the Council of Governments for the Bay Area, expects that the State budget for Fiscal Year 1999/2000 will call on us to determine the Bay Area's housing need.

This requirement has been suspended for a number of years. As a result, the Bay Area's last Housing Needs Determination occurred ten years ago. Therefore, we have taken the initial step of forming a methodology committee, composed of local elected officials and professional staff, to provide us with guidance about the choices we have in implementing state housing needs law. The methodology committee is composed of at least 2 people from each county in the region. A broader advisory committee will receive written material and will have an opportunity to submit written comments.

Outline of the Process

Once the Housing Needs process is ordered, the State's Housing and Community Development Department (HCD) is required to provide a determination of the region's share of the state housing need.

It is ABAG's responsibility to "determine the share for each city or county" in the Bay Area. "The share of a city or county of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county." ABAG is also required to "determine the existing and projected housing need for its region." The calculation of local shares must consider:



- ❑ Market demand for housing
- ❑ Employment opportunities
- ❑ Availability of suitable sites and public facilities
- ❑ Commuting patterns
- ❑ Type and tenure of housing need
- ❑ Loss of units contained in assisted housing developments, ...that changed to non-low-income use...
- ❑ Housing needs of farmworkers

The Government Code also requires that the distribution of regional housing needs "...seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of low income households."

The details of the methodology are essentially left to the local Council of Governments, working in cooperation with HCD. Although ABAG is obliged to provide HCD and each city and county "with data describing the assumptions and methodology used in calculating its share of the regional housing need." After ABAG makes its initial determination, HCD has 30 days to ensure that the determination is consistent with the statewide housing need, and may make revisions if necessary. As in the past, the regional forecast ABAG produces for its *Projections* document should form the basis of local housing needs. But there are important differences between the *Projections* forecast of the likely number of households and a local area's share of the regional and state housing goal as identified in law.

Within 90 days after ABAG's determination a city or county may propose revisions to its share of the regional housing need. Within 60 days after a city or county proposes revisions, ABAG "shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need."

The law seems to concentrate on the process for potential revisions, and identifies an avenue for appeals. ABAG is hoping that the formation of a committee to review our initial methodology can be a first step in making the process more understandable, and helping cities and counties to incorporate the revised housing needs in their general plans.