

MEMO

To: Housing Methodology Committee
From: Paul Fassinger, ABAG Research Director
Date: September 12, 2006
Re: Sphere of Influence in the Regional Housing Needs Allocation

Summary

Responsibility for housing units in the unincorporated portion of a city's sphere of influence is an issue that must be addressed in the Regional Housing Needs Allocation (RHNA).

In the last Bay Area RHNA cycle the ABAG Executive Board assigned 75% of the RHNA allocation for the unincorporated spheres of influence (SOI) to the cities, and the remaining 25% to the counties. This was a deviation from both the staff and the committee's recommendation.

Staff proposes that the HMC use a 50/50 allocation, where the city would be responsible for 50 percent of the units in the unincorporated SOIs and the county would be responsible for the remainder. Staff also recommends that the committee consider whether it is appropriate to note specific cases where this allocation formula should be adjusted further. The following discussion, taken from the last RHNA cycle, outlines the SOI issue.

Discussion Taken From the Previous RHNA Cycle*

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 (wa)s that the allocations w(ould) not be adequately planned for, and that the potential units would not be built.

Under the (3rd Housing Needs Cycle), all unincorporated SOI allocations ha(d) been left with the counties. An allowance was given for letting cities and counties work out the redistribution of the allocations. (In that cycle), no group of cities and counties ha(d) been able to reach agreement on the redistribution of unincorporated SOI allocations.

Unincorporated SOI allocations are determined through the *Projections* process. Since ABAG d(id) not know exactly what w(ould) be annexed or not, it (wa)s 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.

*Alex Amoroso, **Regional Housing Needs Determination (RHND) Update, Memo to ABAG Executive Board, May 18, 2000**