

MEMO

Date: May 9, 2011

To: ABAG Executive Board

From: Ken Kirkey, ABAG Planning Director

Subject: Update on Regional Housing Needs Allocation (RHNA)

Overview

The Regional Housing Needs Allocation (RHNA) is a state mandate that requires each community to plan for its share of the state's housing need, for people at all income levels. The California Department of Housing and Community Development (HCD) determines the total housing need for each region in the state and, as the Council of Governments for the San Francisco Bay Area, it is ABAG's responsibility to distribute this need to local governments.

With the passage of SB 375, ABAG and MTC must identify areas within the region sufficient to house an eight-year projection of the regional housing need for all income groups. Additionally, the housing allocation plan must allocate housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy (SCS).

SCS Housing Methodology Committee

Similar to the process used for the prior RHNA period, ABAG and MTC have convened the SCS Housing Methodology Committee (HMC) to assist in the development of an allocation methodology that meets state, regional, and local objectives. With members from all nine counties, the HMC is made up of local elected officials, staff and various interest groups.

The HMC has been meeting monthly since January, and will continue to meet for the next two months in order to refine the principles and overall concept for the RHNA methodology. The committee's discussions to date have focused primarily on determining how best to promote consistency between RHNA and the development pattern of the SCS, while ensuring that the allocation of housing need also meets the specific objectives of Housing Element law, including that every jurisdiction accommodate its fair share of the region's housing need. The committee has also begun to address some of the more technical aspects of the RHNA methodology, including how to address Spheres of Influence and the guidelines for jurisdictions that wish to enter into agreements to trade a portion of their allocation to another jurisdiction.

Subregions

The statutes governing the RHNA process allow cities and counties the option to join together to conduct their own "subregional" RHNA process. In the Bay Area, subregions have formed in Napa, San Mateo, and Solano counties. Each of the three subregions consists of the county and all of its cities. These subregions will receive an allocation of a portion of the region's total housing need, and will then have the opportunity to create their own methodology for distributing the housing need among the jurisdictions in the subregion. The subregional process for developing a methodology and allocating units to its members will occur in parallel to the regional process, and will be

governed by the same requirements and timeline, including that the final allocation must be consistent with the land use pattern of the SCS.

Next Steps

The HMC will continue to meet to assist MTC and ABAG in finalizing the RHNA methodology, including identifying the overall principles that will guide allocations to each jurisdiction in the region, as well as establishing the rules to guide technical aspects of the allocation process, including how to treat Spheres of Influence, trades of allocations among jurisdictions, and the statutorily required appeals process.