

Draft BayArea Plan

March 2013

Strategy for a
Sustainable
Region



Association of
Bay Area
Governments



Metropolitan
Transportation
Commission

Regional Housing Need Allocation
Process Methodology
for 2014–2022

Metropolitan Transportation Commission

Amy Rein Worth, Chair
Cities of Contra Costa County

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Santa Clara County

Alicia C. Aguirre
Cities of San Mateo County

Tom Azumbrado
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and Urban Development*

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Cities of Alameda County

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City and County of San Francisco

Bill Dodd
Napa County and Cities

Dorene M. Giacomini
U.S. Department of Transportation

Federal D. Glover
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Scott Haggerty
Alameda County

Anne W. Halsted
*San Francisco Bay Conservation
and Development Commission*

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Marin County and Cities

Sam Liccardo
San Jose Mayor's Appointee

Mark Luce
Association of Bay Area Governments

Jake Mackenzie
Sonoma County and Cities

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Cities of Santa Clara County

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Oakland Mayor's Appointee

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*State Business, Transportation
and Housing Agency*

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Solano County and Cities

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Association of Bay Area Governments

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Alameda

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Alameda

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Contra Costa

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Marin

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San Mateo

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Supervisor David Cortese
Santa Clara

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Sonoma

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Alameda

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Alameda

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City of Clayton
Contra Costa

Councilmember Dave Hudson,
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Contra Costa

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Marin

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Napa

Mayor Edwin Lee
City And County of San Francisco

**Jason Elliott, Director, Legislative/
Government Affairs, Office of the Mayor**
City And County of San Francisco

Joaquin Torres, Office of the Mayor
City And County of San Francisco

Councilmember Pedro Gonzalez,
City of South San Francisco
San Mateo

Vice Mayor Richard Garbarino,
City of South San Francisco
San Mateo

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City of San Jose

Advisory Members

William Kissinger
Regional Water Quality Control Board

FINAL REGIONAL HOUSING NEED ALLOCATION METHODOLOGY FOR 2014-2022

In consultation with ABAG, the California Housing and Community Development Department (HCD) developed the Regional Housing Need Determination (RHND) for the region. The purpose of the RHND is to ensure the appropriate local planning for the supply and affordability of housing to meet the region's needs for its population and workers by income level. HCD finalized ABAG's regional housing need determination for the 2014-2022 projection period on February 24, 2012.

On July 19, 2012, the ABAG Executive Board adopted the final Regional Housing Need Allocation (RHNA) methodology for the period between 2014 and 2022. The RHNA methodology assigns every jurisdiction in the Bay Area a portion of the region's housing need by income category (Attachment A). The ABAG Executive Board also assigned a share of the region's total housing need to the three subregions that were formed to perform their own RHNA process. The RHNA mirrors the population and household growth of each county for the year between 2014 and 2022 (Attachment B).

ALLOCATION METHODOLOGY

The following provides a brief description of the primary components of the adopted RHNA Methodology.

Sustainability Component

This component advances the goals of SB 375; this factor is based on the Jobs-Housing Connection Strategy, which allocates new housing development into Priority Development Areas (PDAs) and non-PDA areas. By concentrating new development in PDAs, the Strategy helps protect the region's natural resources by reducing development pressure on open space, rural areas, and small towns. This allows the region to consume less energy, thus reducing household costs and the emission of greenhouse gases. Following the land use distribution specified in the Jobs-Housing Connection Strategy, 70% of the region's housing need as determined by the California Department of Housing and Community Development (HCD) will be allocated based on growth in PDAs and the remaining 30% will be allocated based on growth in non-PDA locations.

HCD determined that the housing need for the region for 2014 to 2022 is 187,990 units. The sustainability framework of the PDAs is the basis for the Sustainable Communities Strategy (SCS) and the inclusion of this framework in the RHNA methodology promotes consistency between the two.

As of July 19, 2012, the Jobs-Housing Connection Strategy was modified to include a feasible growth concentration scenario that was applied to the 2014-2022 RHNA cycle. This new distribution shifts approximately 3,500 units (1.5 percent of the total regional allocation) from Oakland, Newark, San Jose, and the North Bay primarily to medium sized cities with high job growth and transit access.

Fair Share Component

This component achieves the requirement that all cities and counties in California work to provide a fair share proportion of the region's total and affordable housing need. In particular, cities with strong transit networks, a high number of jobs, and that permitted a low number of very low- and low-income units during the 1999-2006 RHNA cycle received higher allocations. The Fair Share Component includes the factors listed below:

- *Upper Housing Threshold:* If growth projected by the Jobs-Housing Connection Strategy in a jurisdiction's PDAs meets or exceeds 110 percent of the jurisdiction's household formation growth, that jurisdiction is not assigned additional units. This ensures that cities with large PDAs are not overburdened. In addition, the total allocation to a jurisdiction cannot exceed 150 percent of its 2007-2014 RHNA.
- *Minimum Housing Floor:* Jurisdictions are assigned a minimum of 40 percent of their household formation growth. Setting this minimum threshold ensures that each jurisdiction is planning for housing to accommodate at least a portion of the housing need generated by the population within that jurisdiction.
- *Fair Share Factors:* The following three factors were applied to a jurisdiction's non-PDA growth:

- *Past RHNA Performance:* Cities that permitted a high number of housing units for very low- and low-income households during the 1999-2006 RHNA cycle received a lower allocation.
- *Employment:* Jurisdictions with a higher number of existing jobs in non-PDA areas (based on 2010 data) received a higher allocation.
- *Transit:* Jurisdictions with higher transit frequency and coverage received a higher allocation.

Income allocation

The income allocation method gives jurisdictions that have a relatively higher proportion of households in a certain income category a smaller allocation of housing units in that same category. For example, jurisdictions that already supply a large amount of affordable housing receive lower affordable housing allocations. This also promotes the state objective for reducing concentrations of poverty and increasing the mix of housing types among cities and counties equitably. The income allocation requirement is designed to ensure that each jurisdiction in the Bay Area plans for housing people of every income.

The income distribution of a jurisdiction's housing need allocation is determined by the difference between the regional proportion of households in an income category and the jurisdiction's proportion for that same category. Once determined, this difference is then multiplied by 175 percent. The result becomes that jurisdiction's "adjustment factor." The jurisdiction's adjustment factor is added to the jurisdiction's initial proportion of households in each income category. The result is the total share of the jurisdiction's housing unit allocation for each income category.

Sphere of Influence Adjustments

Every city in the Bay Area has a Sphere of Influence (SOI) which can be either contiguous with or go beyond the city's boundary. The SOI is considered the probable future boundary of a city and that city is responsible for planning within its SOI. The

SOI boundary is designated by the county's Local Area Formation Commission (LAFCO). The LAFCO influences how government responsibilities are divided among jurisdictions and service districts in these areas.

The method for allocating housing need for jurisdictions where there is projected growth within the SOI varies by county. In Napa, San Mateo, Santa Clara, Solano, and Sonoma counties, the allocation of housing need generated by the unincorporated SOI is assigned to the cities. In Alameda and Contra Costa counties, the allocation of housing need generated by the unincorporated SOI is assigned to the county. In Marin County, 62.5 percent of the allocation of housing need generated by the unincorporated SOI is assigned to the city and 37.5 percent is assigned to the county.

SUBREGIONAL SHARES

As part of the RHNA process, local jurisdictions within a county have the opportunity to form a subregion to develop their own methodology and carry out their own allocation process. For the 2014-2022 RHNA, three subregions were formed by the jurisdictions in Napa, San Mateo, and Solano counties. Napa received 0.7883%, San Mateo received 8.7334%, and Solano received 3.7113% of the region's total housing need.

ATTACHMENT A DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
REGION	46,680	28,940	33,420	78,950	187,990
Alameda County					
Alameda	442	247	282	745	1,716
Albany	80	53	57	144	334
Berkeley	530	440	581	1,395	2,946
Dublin	793	444	423	615	2,275
Emeryville	275	210	258	749	1,492
Fremont	1,707	922	974	1,829	5,432
Hayward	862	490	625	2,044	4,021
Livermore	835	472	494	916	2,717
Newark	328	166	157	422	1,073
Oakland	2,050	2,066	2,803	7,782	14,701
Piedmont	24	14	15	7	60
Pleasanton	713	389	405	551	2,058
San Leandro	502	269	350	1,156	2,277
Union City	316	179	191	415	1,101
Alameda County Unincorporated	428	226	294	814	1,762
	9,885	6,587	7,909	19,584	43,965
Contra Costa County					
Antioch	348	204	213	677	1,442
Brentwood	233	123	122	278	756
Clayton	51	25	31	34	141
Concord	794	442	556	1,670	3,462
Danville	195	111	124	125	555
El Cerrito	100	63	69	165	397
Hercules	219	117	100	243	679
Lafayette	146	83	90	107	426
Martinez	123	72	78	194	467
Moraga	75	43	50	60	228
Oakley	316	173	174	500	1,163
Orinda	84	47	53	42	226
Pinole	80	48	42	126	296
Pittsburg	390	253	315	1,058	2,016
Pleasant Hill	117	69	84	176	446
Richmond	436	304	408	1,276	2,424
San Pablo	55	53	75	264	447
San Ramon	514	278	281	338	1,411
Walnut Creek	601	353	379	892	2,225
Contra Costa County Unincorporated	372	217	242	530	1,361
	5,249	3,078	3,486	8,755	20,568

RHNA Methodology adopted by ABAG Executive Board on July 19, 2012.
 ABAG is scheduled to issue Final Allocation in June 2013 and to adopt in July 2013.

ATTACHMENT A DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Marin County					
Belvedere	4	3	4	5	16
Corte Madera	22	13	13	24	72
Fairfax	16	11	11	23	61
Larkspur	40	20	21	51	132
Mill Valley	41	24	26	38	129
Novato	111	65	72	166	414
Ross	6	4	4	4	18
San Anselmo	33	17	19	37	106
San Rafael	239	147	180	437	1,003
Sausalito	26	14	16	23	79
Tiburon	24	16	19	19	78
Marin County Unincorporated	55	32	37	60	184
	617	366	422	887	2,292
Napa County					
American Canyon	116	54	58	164	392
Calistoga	6	2	4	15	27
Napa	185	106	141	403	835
St. Helena	8	5	5	13	31
Yountville	4	2	3	8	17
Napa County Unincorporated	51	30	32	67	180
	370	199	243	670	1,482
San Francisco County					
San Francisco	6,207	4,619	5,437	12,482	28,745
	6,207	4,619	5,437	12,482	28,745

ATTACHMENT A DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
San Mateo County					
Atherton	36	27	29	14	106
Belmont	116	63	67	121	367
Brisbane	25	13	15	30	83
Burlingame	280	149	158	388	975
Colma	20	8	9	30	67
Daly City	408	194	225	681	1,508
East Palo Alto	64	54	83	266	467
Foster City	148	87	76	119	430
Half Moon Bay	52	31	36	67	186
Hillsborough	50	29	34	16	129
Menlo Park	237	133	145	219	734
Millbrae	193	101	112	272	678
Pacifica	121	68	70	154	413
Portola Valley	21	15	15	13	64
Redwood City	706	429	502	1,147	2,784
San Bruno	365	166	208	555	1,294
San Carlos	195	107	111	183	596
San Mateo	859	469	530	1,172	3,030
South San Francisco	576	290	318	922	2,106
Woodside	23	13	15	11	62
San Mateo County Unincorporated	100	61	72	106	339
	4,595	2,507	2,830	6,486	16,418
Santa Clara County					
Campbell	252	137	150	390	929
Cupertino	354	206	230	269	1,059
Gilroy	235	159	216	473	1,083
Los Altos	168	99	112	96	475
Los Altos Hills	46	28	32	15	121
Los Gatos	200	112	132	173	617
Milpitas	1,000	568	563	1,145	3,276
Monte Sereno	23	13	13	12	61
Morgan Hill	272	153	184	315	924
Mountain View	810	490	525	1,088	2,913
Palo Alto	688	430	476	585	2,179
San Jose	9,193	5,405	6,161	14,170	34,929
Santa Clara	1,045	692	752	1,586	4,075
Saratoga	147	95	104	92	438
Sunnyvale	1,780	992	1,027	2,179	5,978
Santa Clara County Unincorporated	22	13	14	28	77
	16,235	9,592	10,691	22,616	59,134

ATTACHMENT A DRAFT REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Solano County					
Benicia	94	54	56	123	327
Dixon	50	24	30	93	197
Fairfield	861	451	514	1,664	3,490
Rio Vista	15	12	16	56	99
Suisun City	105	40	41	169	355
Vacaville	287	134	173	490	1,084
Vallejo	283	178	211	690	1,362
Solano County Unincorporated	16	9	12	26	63
	1,711	902	1,053	3,311	6,977
Sonoma County					
Cloverdale	39	29	31	111	210
Cotati	35	18	18	66	137
Healdsburg	31	24	26	75	156
Petaluma	198	102	120	321	741
Rohnert Park	180	107	126	482	895
Santa Rosa	943	579	756	2,364	4,642
Sebastopol	22	17	19	62	120
Sonoma	24	23	27	63	137
Windsor	120	65	67	187	439
Sonoma County Unincorporated	219	126	159	428	932
	1,811	1,090	1,349	4,159	8,409
REGION	46,680	28,940	33,420	78,950	187,990

RHNA

	DRAFT		
	Fifth Cycle (2014-2022)	Fourth Cycle (2007-2014)	Third Cycle (1999-2006)
Alameda	43,965	44,937	46,793
Contra Costa	20,568	27,072	34,710
Marin	2,292	4,882	6,515
Napa	1,482	3,705	7,063
San Francisco	28,745	31,193	20,372
San Mateo	16,418	15,738	16,305
Santa Clara	59,134	60,338	57,991
Solano	6,977	12,985	18,681
Sonoma	8,409	13,650	22,313
Region	187,990	214,500	230,743

	DRAFT		
Share	Fifth Cycle (2014-2022)	Fourth Cycle (2007-2014)	Third Cycle (1999-2006)
Alameda	23.4%	20.9%	20.3%
Contra Costa	10.9%	12.6%	15.0%
Marin	1.2%	2.3%	2.8%
Napa	0.8%	1.7%	3.1%
San Francisco	15.3%	14.5%	8.8%
San Mateo	8.7%	7.3%	7.1%
Santa Clara	31.5%	28.1%	25.1%
Solano	3.7%	6.1%	8.1%
Sonoma	4.5%	6.4%	9.7%
Region	100.0%	100.0%	100.0%

Growth from Draft SCS for 2014-2022	
Population	Households
118,412	42,515
64,590	21,265
7,500	2,338
6,485	1,967
69,886	26,929
46,315	15,370
160,878	57,057
23,755	7,138
28,041	9,258
525,864	183,836
Population	Households
22.5%	23.1%
12.3%	11.6%
1.4%	1.3%
1.2%	1.1%
13.3%	14.6%
8.8%	8.4%
30.6%	31.0%
4.5%	3.9%
5.3%	5.0%
100.0%	100.0%

Note: The Fifth Cycle (2014-2022) numbers are draft

RHNA Methodology adopted by ABAG Executive Board on July 19, 2012

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The "Growth from Draft SCS for 2014-2022" indicates the change in population and households between 2014 and 2022

Metropolitan Transportation Commission

Management Staff

Steve Heminger
Executive Director

Ann Flemer
Deputy Executive Director, Policy

Andrew B. Fremier
*Deputy Executive Director,
Operations*

Adrienne D. Weil
General Counsel

Brian Mayhew
Chief Financial Officer

Ken Kirkey
Director, Planning

Alix Bockelman
*Director, Programming and
Allocations*

Association of Bay Area Governments

Management Staff

Ezra Rapport
Executive Director

Patricia Jones
Assistant Executive Director

Kenneth K. Moy
Legal Counsel

Miriam Chion
Planning and Research Director





**Association of
Bay Area
Governments**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4707

510.464.7900 PHONE
info@abag.ca.gov EMAIL
www.abag.ca.gov WEB



**Metropolitan
Transportation
Commission**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700

510.817.5700 PHONE
510.817.5769 TDD/TTY
info@mtc.ca.gov EMAIL
www.mtc.ca.gov WEB