PROCLAMATION
CALLING A SPECIAL MEETING OF THE
BERKELEY CITY COUNCIL

In accordance with the authority in me vested, I do hereby call the Berkeley City Council in special session as follows:

Thursday, March 25, 2021
6:00 PM

JESSE ARREGUIN, MAYOR

Councilmembers:

DISTRICT 1 – RASHI KESARWANI
DISTRICT 2 – TERRY TAPLIN
DISTRICT 3 – BEN BARTLETT
DISTRICT 4 – KATE HARRISON

DISTRICT 5 – SOPHIE HAHN
DISTRICT 6 – SUSAN WENGRAF
DISTRICT 7 – RIGEL ROBINSON
DISTRICT 8 – LORI DROSTE

PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH VIDEOCONFERENCE AND TELECONFERENCE

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the City Council will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order and the Shelter-in-Place Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, there will not be a physical meeting location available.

Live audio is available on KPFB Radio 89.3. Live captioned broadcasts of Council Meetings are available on Cable B-TV (Channel 33) and via internet accessible video stream at http://www.cityofberkeley.info/CalendarEventWebcastMain.aspx.

To access the meeting remotely: Join from a PC, Mac, iPad, iPhone, or Android device: Please use this URL https://us02web.zoom.us/j/82133233284. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon by rolling over the bottom of the screen.

*To join by phone: Dial **1-669-900-9128 or 1-877-853-5257 (Toll Free)** and enter Meeting ID: **821 3323 3284**. If you wish to comment during the public comment portion of the agenda, Press *9 and wait to be recognized by the Chair.*

To submit an e-mail comment during the meeting to be read aloud during public comment, email clerk@cityofberkeley.info with the Subject Line in this format: "PUBLIC COMMENT ITEM ##." Please observe a 150 word limit. Time limits on public comments will apply. Written comments will be entered into the public record.

Please be mindful that the teleconference will be recorded as any Council meeting is recorded, and all other rules of procedure and decorum will apply for Council meetings conducted by teleconference or videoconference.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, (510) 981-6900. The City Council may take action related to any subject listed on the Agenda. Meetings will adjourn at 11:00 p.m. - any items outstanding at that time will be carried over to a date/time to be specified.

Preliminary Matters

Roll Call:

Action Calendar

The public may comment on each item listed on the agenda for action as the item is taken up. For items moved to the Action Calendar from the Consent Calendar or Information Calendar, persons who spoke on the item during the Consent Calendar public comment period may speak again at the time the matter is taken up during the Action Calendar.

The Presiding Officer will request that persons wishing to speak use the "raise hand" function to determine the number of persons interested in speaking at that time. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Presiding Officer may limit the public comment for all speakers to one minute per speaker. The Presiding Officer may, with the consent of persons representing both sides of an issue, allocate a block of time to each side to present their issue.

Action items may be reordered at the discretion of the Chair with the consent of Council.

Action Calendar – New Business

1. **Initiation of Public Process and Zoning Concepts for 2023-2031 Housing Element Update**
    From: Councilmember Droste (Author), Mayor Arreguin (Author), Councilmember Kesarwani (Author), Councilmember Taplin (Author)
    Recommendation: Refer to the City Manager and Planning Commission to initiate an inclusive 18 month public process to develop the state-mandated update to the Housing Element of the Berkeley's General Plan and forward the following key principles and zoning concepts for consideration to achieve equitable and sustainable housing and compliance with new Regional Housing Needs Allocation (RHNA) requirements.
    Financial Implications: See report
    Contact: Lori Droste, Councilmember, District 8, (510) 981-7180

2. **Initiation of Participatory Planning for Berkeley's Regional Housing Needs Allocation (RHNA)**
    From: Councilmember Hahn (Author), Councilmember Harrison (Author), Councilmember Bartlett (Co-Sponsor)
    Recommendation:
    1. Direct the City manager to initiate and take all steps necessary to launch and complete the City's housing element update in compliance with all State and City of Berkeley laws, plans, guidelines and regulations, to meet the January 2023 RHNA deadline for submission to the California Department of Housing and Community Development (HCD).
    2. Refer to the City Manager to hire experienced, culturally competent consultants to lead the housing element update and any required California Environmental Quality Act (CEQA) processes in collaboration with members of the public, the Planning, Housing Advisory, Homeless and other appropriate Commissions, the City Council, and City staff.

Action Calendar – New Business

3. Refer to the Budget process the identification and allocation of at least $500,000 in funds necessary to complete the housing element update in a thoughtful, comprehensive, participatory, culturally competent and timely manner.
4. Refer to the City Manager to study and report back to the City Council the following: a. A map of State legislation, with a focus on new legislation adopted since the City's last housing element update, to clarify the State regulatory landscape in which Berkeley's current RHNA planning will take place. Legislation mapped should include but not be limited to new laws about ADUs, SB35, and related to planning in high risk fire/earthquake/sea level rise areas. b. An evaluation of the distribution of RHNA-required units at each affordability level, taking into account Berkeley's current housing pipeline report, the amount of housing in the pipeline at various affordability levels, and City demographics related to income. c. Status of State-level efforts to count group living accommodation (GLA) units/beds towards RHNA requirements.
5. Finalize objective planning standards and updated affordable housing requirements, as previously referred by the City Council, simultaneously with the RHNA planning process.
6. Refer to the City Manager to ensure that the framing of the housing element update reflects core Berkeley values of equity, affordability, and protection of residents from displacement and predatory purchasing, and puts cooperative, land-trust and other social housing concepts, as well as innovative home ownership models, on an equal footing with more traditional market-rate and affordable housing solutions.
Financial Implications: See report
Contact: Sophie Hahn, Councilmember, District 5, (510) 981-7150

Adjournment

I hereby request that the City Clerk of the City of Berkeley cause personal notice to be given to each member of the Berkeley City Council on the time and place of said meeting, forthwith.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Berkeley to be affixed on this 18th day of March, 2021.

Jesse Arreguin

Jesse Arreguin, Mayor

Public Notice – this Proclamation serves as the official agenda for this meeting.

ATTEST:

Mark Numainville

Date: March 18, 2021
Mark Numainville, City Clerk

ACTION CALENDAR
March 25, 2021

To: Members of the City Council

From: Vice Mayor Lori Droste, Mayor Jesse Arreguín,
             Councilmember Rashi Kesarwani and Councilmember Terry Taplin

Subject: Initiation of Public Process and Zoning Concepts for 2023-2031 Housing
             Element Update

RECOMMENDATION

Refer to the City Manager and Planning Commission to initiate an inclusive 18 month
public process to develop the state-mandated update to the Housing Element of the
Berkeley's General Plan and forward the following key principles and zoning concepts
for consideration to achieve equitable and sustainable housing and compliance with
new Regional Housing Needs Allocation (RHNA) requirements.

KEY PRINCIPLES

Staff, consultants, and the Planning Commission should incorporate the following key
principles (further explained in Background section) in their work developing an updated
Housing Element and the necessary zoning changes and General Plan amendments:

- **Robust Community Engagement**
- **Equity – geographic equity, equity in housing types and access**
- **Affordability and Community Benefits**
- **Public Safety**
- **Transit Proximity and Reducing Vehicles Miles Traveled**
- **Design, Neighborhood Context, and Historic Preservation**
- **Tenant Protections, Anti-Displacement, and Anti-Speculation Provisions**

ZONING CONCEPTS

Planning staff, consultants, and the Planning Commission should consider and evaluate the following zoning concepts as part of the Housing Element process:

- ***Prioritizing new housing in Priority Development Areas (PDAs)***
  The Planning Commission should prioritize housing development in areas designated as Priority Development Areas. Cities with PDAs have access to significant additional funding and plans and infrastructure improvements focused in those areas.
- ***Focus growth on transit and commercial corridors***
  Transit corridors are defined as corridors with an existing rail station or bus stop with peak service frequency of 15 minutes or less to accommodate the vast majority of new homes required pursuant to the RHNA allocation for the City of Berkeley.
- ***Equitable Neighborhood Scale Housing***
  - Enable two, three and four units on parcels in the R-1, R-1A, R-2 and R-2A and other building forms that are *similar in scale* to building forms currently allowable in these zones (except for areas with public safety impacts). Allow the subdivision of existing single family homes, standalone multi-family structures or multiple units on a single family parcel.
  - Incentivize Accessory Dwelling Units and Junior ADUs on single family parcels.
  - Ensure that neighborhood scale housing is in a manner that is similar in look and scale to existing residential housing forms in these zoning districts.
  - Permit a variety of building types (attached, detached, bungalow courts) to maximize flexibility, neighborhood scale and potential opportunities for home ownership (split lots and condominiums)
  - Maintain historic fabric and character of neighborhoods, including prohibitions on the demolition of historically designated properties, limitations on the demolition of building facades or replacements resulting in significant increase in building mass.

The City Council directs the City Manager to initiate this work immediately and the Planning Commission to incorporate zoning reform and updating the Housing Element into its 2021 and 2022 work plan. Staff and the commission, with consultants, should conduct extensive community outreach during the course of this update and examine how other cities, such as Minneapolis, Portland, Austin, San Diego, and Sacramento have prepared for and implemented similar missing middle housing.

BACKGROUND

California law requires that communities adequately plan to meet the housing needs for everyone in the community by adopting a Housing Element that "provides opportunities for (and does not unduly constrain) housing development."[1] In 2021, the Association of Bay Area Governments (ABAG) approved the draft Regional Housing Needs Allocation (RHNA) for 2023-2031, which requires each community to plan and zone for a significant number of new homes at all income levels–from very low to above moderate– by January 2023.[2] In Berkeley, our community is required to plan for an additional 8,934 homes, a 201 percent increase over the City's prior RHNA allocation eight years ago, as follows:

FIGURE 1: CITY OF BERKELEY'S DRAFT REGIONAL HOUSING NEEDS ALLOCATION					
	VERY LOW INCOME <50% of Area Median Income	LOW INCOME 50%-80% of Area Median Income	MODERATE INCOME 80%-120% of Area Median Income	ABOVE MODERATE INCOME >120% of Area Median Income	TOTAL
2014-2022	532	442	584	1401	2,959
2023-2031	2,446	1,408	1,416	3,664	8,934
Increase	+1,914	+966	+832	+2,263	+5,975

In response to regional state-mandated requirement to zone for 8,934 new homes at all income levels, the City Manager is requested to initiate the process of updating our Housing Element considering the Key Principles and Zoning Concepts presented in this item.

KEY PRINCIPLES

Robust Community Engagement

General Plan revisions or Housing Element updates are always accompanied by community engagement processes. However, by initiating the update process and community engagement *now*, the authors are seeking *greater* community input than has previously been required during Housing Element updates. In previous Housing Element cycles, community engagement didn't begin until the fall prior to the Housing Element adoption deadline. Although Council is not required to adopt the new Housing Element until December of 2022, the authors want to spend additional months engaging the community due to the new large state-mandated housing unit allocations.

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[1] Regional Housing Needs Allocation and Housing Elements. (2021). *Housing and Community Development.* https://www.hcd.ca.gov/community-development/housing-element/index.shtml
[2] The Regional Housing Needs Development is based on a California Department of Finance formula, available here: https://abag.ca.gov/sites/default/files/rhnd_overview_0.pdf

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Staff and consultants should launch a robust community process with specific focus on affected neighborhoods and businesses. Per local and state Housing Element update protocol, staff and hired consultants will consult with the community in various forums. Suggested forums include advertised neighborhood meetings, surveys, design charrettes, and online forums to allow comments on Housing Element drafts and zoning proposals. This should be in addition to any legally required public hearings.

The Planning Commission will engage with the public with input from City commissions working on issues related to environment, housing, homelessness, disability, equity, and health as well as the Berkeley Rent Stabilization Board.

Staff and hired consultants will also reach out to a variety of stakeholder groups in person, via email and on social media, targeting community members and organizations, including but not limited to:
- Local neighborhood, environmental, student, housing and climate organizations;
- Residents in sensitive communities and communities of concern
- Groups who have historically been marginalized from planning processes (low-income residents, communities of color, working parents of young children, English-as-a-Second-Language residents, etc.); and
- Nonprofit and for-profit housing providers

Equity – Geographic equity and equity in housing types and access
Policies, opportunity site identification, and any necessary rezoning should ensure geographic equity in housing opportunities throughout the City of Berkeley, including allowing neighborhood scale housing in residential neighborhoods. The Housing Element should also prioritize a diversity of housing types including larger multi-unit structures, and smaller projects including Accessory Dwelling Units, Junior Accessory Dwelling Units, duplexes, triplexes, and fourplexes including subdivision of existing single family homes, attached and detached structures, and bungalow courts. In addition, the Housing Element should encourage alternative housing models including cooperatives, land trusts, and social housing concepts as well as home ownership models. Equity in access and affordability of housing should be a key priority in the development of policies and zoning.

Affordability and Community Benefits
The Planning Commission, staff and consultants should seek to maximize opportunities for the development and preservation of Below Market Rate (BMR) units in a manner which is financially feasible. Considerations may include, but is not limited to density bonuses, Affordable Housing Trust Fund fees, overlays, zoning or streamlining incentives. Additionally, the equitable residential zoning recommendations permits

affordable housing and other affordability models, like social housing, land trusts, or cooperatives, in many areas where it is currently barred.

Zoning changes should take into consideration the City Council's 2017 Resolution No. 68,133-N.S. requiring evaluation of land value recapture as part of any rezoning or area plan process along with financial feasibility, and consider the potential for additional community benefits including but not limited to: labor standards, affordable units/funding, streetscape improvements, and/or transportation benefits.

Public Safety

With any zoning changes, public safety is a primary concern and Berkeley City Council passed a resolution reaffirming this.[3] While zoning reform should examine all residential and commercial districts, the following criteria should apply:

- That increased development should not be located in areas at elevated risk from natural hazards that would contribute to excessive risk of loss of life or injury based on objective geological, topographical, seismic, or wildland-urban interface fire safety standards.

- That increased development should not be located in areas with substandard emergency vehicular access, inadequate water pressure, or are exceptionally vulnerable to severe damage or destruction from fire and earthquake hazards based on objective geological, seismic, or wildland-urban interface fire safety standards.

Public safety is of paramount importance and is *already* currently embedded in our regulations that govern zoning changes, including a 'Disaster Preparedness and Safety' element within Berkeley's General Plan which was further updated with an appendix on Local Hazard Mitigation. Furthermore, several statewide resources –Fire Hazard Planning Technical Advisory and Cal Fire's Land Use Planning Program, regularly assist the city in planning efforts to properly mitigate fire hazards in the wildland-urban interface, as well as other potential disasters. Potential housing constraints and hazards are also routinely considered and planned for during Berkeley's Housing Element discussion. Additionally, Housing Element updates and major zoning revisions are subject to California's Environmental Quality Act (CEQA). CEQA analysis takes into account the environmental impact of proposed projects on a variety of factors, including wildfire, water quality, air quality, and hazards.

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[3] "Whereas public safety, in particular in the face of earthquakes, fire, and sea level rise, is of critical importance...Be it further resolved that City Council will pursue zoning reform that takes into account public safety in all parts of Berkeley." City of Berkeley (2021) *Declaring the Intent of the City Council to Allow Multi-Family Housing in Residential Neighborhoods Throughout Berkeley,*

Transit Proximity and Reducing Vehicles Miles Traveled

The Housing Element should prioritize policies and zoning requirements that locate new housing in close proximity to existing transit stations and transit lines. Locating housing close to public transit, along with parking minimums and Transportation Demand Management requirements, will incentivize people to take alternative modes of transportation and reduce vehicles miles traveled (VMT). Reducing Vehicle Miles Traveled and greenhouse gas emissions should be a key focus of Housing Element and RHNA compliance. This is critical to meet the City of Berkeley's Climate Action Plan and Climate Emergency goals.

Design, Neighborhood Context, and Historic Preservation

With any zoning changes, it is important to consider scale and adopt thoughtful development standards in the zoning code in order to manage maximum building height, building spacing, open space, and privacy, such as through form-based codes and to harmonize with the existing neighborhood. To the greatest extent possible, zoning changes should seek to connect with the existing look and feel or the area or corridor. Adaptive reuse and contextual addition should be incentivized.

The zoning changes should consider specifications to ensure appropriate transitions between a transit-rich area or corridor and an abutting residential street or between adjacent residential parcels by, for example, requiring a stepped-down height or other form-based design features to connect with the look and feel of residential streets.

Additionally, any development that is located within a historic district should be sensitive to surrounding historic resources and not demolish or damage a structure or place that is included in the State Historic Resources Inventory or National Register of Historic Places, or is legally designated or listed as a city or county landmark or historic property or district designated prior to Berkeley's 6th Cycle Housing Element adoption.

Additionally the Planning Commission, staff and consultants should consider a preference for addition and subdivision of units in existing properties over demolition to reduce waste, embodied energy and incentivize the creation of new rent controlled units.

Tenant Protections, Anti-Displacement, and Anti-Speculation Provisions

It is essential to ensure that existing tenants are protected and residents do not experience involuntary displacement. The following criteria are suggested:

- That the proposed housing development does not require demolition or elimination of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, or which otherwise limits the rate at which rents may be increased or the circumstances under which a sitting tenant may be evicted (i.e. subsidized affordable units, inclusionary housing or units under Section 8 contract) or units subject to Berkeley's Rent Stabilization and Eviction for Good Cause Ordinance.

- That if the development would involve the demolition or renovation of any units with sitting tenants or which recently housed (within 5 years) tenants, expanded and permanent tenant protections consistent with Government Code 66300[4] would apply, including but not limited to increased relocation payments and right-to-return and relocation benefits that would also apply to tenants in rental units not covered by Berkeley's Rent Stabilization Ordinance.

- Projects involving the demolition of an existing single family home or multi-unit property to create a new project shall be subject to the city's Demolition Ordinance, BMC Chapter 23C.08.

- Consistent with the city's Demolition Ordinance prohibit demolition if the building was removed from the rental housing market under the Ellis Act during the preceding five years or there have been verified cases of harassment or threatened or actual illegal eviction during the immediately preceding three years.

- Require notice be provided to tenants of an application for demolition, elimination, subdivision, or consolidation of units.

- Prior to adoption of zoning or municipal code changes pursuant to this item, conduct a displacement risk analysis

- Consider other possible ways that zoning changes can be crafted a) to prevent and mitigate negative externalities which could affect low and moderate-income tenants and homeowners (e.g. predatory home buying) and b) increase housing security and equity for low-income homeowners

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[4]Skinner, N. (2019). The Housing Crisis Act of 2019. *California Legislative Information,* https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=1.&title=7.&part=&chapter=12.&article=

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ZONING CONCEPTS

The Planning Commission, staff, and consultants should engage with relevant Boards and Commissions (e.g. Housing Advisory Commission, Transportation Commission, Landmarks Preservation Commission, Rent Stabilization Board), community stakeholders, and technical experts in the areas of financial feasibility, affordable housing, form-based zoning, and other relevant areas of expertise as needed to consider the following zoning concepts:

Zoning Concept #1: Prioritizing Growth in PDAS and Transit Corridors

Planning staff should prioritize growth in designated Priority Development Areas and also explore zoning transit and commercial corridors. Staff should conduct a capacity analysis to determine which additional corridors to include to achieve a compliant Housing Element. Transit corridors are defined as corridors with an existing rail station or bus stop with peak service frequency of 15 minutes or less[5] to accommodate the vast majority of new homes required pursuant to the RHNA allocation for the City of Berkeley.

Priority Development Areas

Adeline Priority Development Area	Shattuck Priority Development Area
Downtown Priority Development Area	Telegraph Priority Development Area
San Pablo Priority Development Area	University Priority Development Area

Specific considerations include:

- ***Prioritization of Housing Development in Priority Development Areas (PDAs)***
  The Planning Commission should prioritize housing development in areas designated as Priority Development Areas. Cities with PDAs have access to significant additional funding and plans and infrastructure improvements focused in those areas.

- ***Zoning that is Contextual with the Existing Look and Feel of Areas and Corridors***
  Any increases in zoning in Priority Development Areas and transit corridors over the existing baseline zoning envelope should take into account the average parcel size within the area or corridor, street width, underutilized lots, the current mix of residential and commercial uses, as well as the height and building form of existing residential and commercial buildings.

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[5] Using pre-pandemic 2019 AC Transit bus schedules

Zoning Concept #2: Equitable, Neighborhood Scale Housing
Regulate R-1, R-1A, R-2, and R-2A residential zones similarly to allow for a greater degree of density per parcel in all four zones in a manner that is similar in look and scale to existing residential housing forms in these four zones. Newly allowable missing middle housing types can include but are not limited to: duplexes, triplexes, fourplexes and other building forms that are similar in scale to the building forms currently allowable across these zones.

Specific additional *considerations* for residential zoning should include:
- Treatment of Accessory Dwelling Unit(s) and/or Junior Accessory Dwelling Unit(s) in relation to the new development standards in order to ensure adequate lot size, setbacks, and lot coverage.
- Permitting a variety of building types (attached, detached, bungalow courts, etc.) to maximize flexibility and potential opportunities for homeownership (split lots and condominiums).[6]
- Possibility of existing homes/footprints/zoning envelopes to be divided into multiple units, potentially creating homes that are more affordable, saving and lightly modifying an older structure as part of internally dividing it into more than one unit, adhering to habitability and seismic safety standards.[7]
- Standards to preserve historic fabric and character of public street elevations such as limitations on demolition of building facades

CURRENT SITUATION AND ITS EFFECTS
Regional Housing Needs Allocation
Since October 2019, a subcommittee of the Association of Bay Area Governments (ABAG), made up of elected officials and staff, has been working to draft the Regional Housing Needs Assessment (RHNA) which "calculates the number of housing units assigned to each city and county, and the formula also distributes each jurisdiction's housing unit allocation."[8] Identifying and fulfilling RHNA goals are required by state law. As noted by the chart below, Berkeley is responsible for zoning residential capacity for an additional 8,934 units, which is a 201% increase over the previous RHNA allocations (Figure 2).

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[6] Austin, TX allows ADUs to be sold separately.
[7] City of Portland, (2019). *About the Residential Infill Project.* https://www.portland.gov/bps/rip/about-project
[8] Regional Housing Needs Allocations Draft Methodology: San Francisco Bay Area 2023-2031. (2021). *Association of Bay Area Governments.* https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf

Figure 2

Illustrative Allocations from the Draft RHNA Methodology

This table shows jurisdiction allocations from the draft RHNA methodology. These are shown for illustrative purposes only.

Following HCD's review of the draft RHNA methodology, ABAG will use the state agency's feedback to develop a final methodology and issue draft allocations in Spring 2021. This will be followed by an appeal period before ABAG issues Final Allocations by the end of 2021. Jurisdiction Housing Elements will be due to HCD by January 2023.

Jurisdiction	VERY LOW INCOME (<50% of Area Median Income)	LOW INCOME (50-80% of Area Median Income)	MODERATE INCOME (80-120% of Area Median Income)	ABOVE MODERATE INCOME (>120% of Area Median Income)	TOTAL
ALAMEDA COUNTY					
Alameda	1,421	818	868	2,246	5,353
Albany	308	178	175	453	1,114
Berkeley	2,446	1,408	1,416	3,664	8,934
Dublin	1,085	625	560	1,449	3,719
Emeryville	451	259	308	797	1,815
Fremont	3,640	2,096	1,996	5,165	12,897
Hayward	1,075	617	817	2,115	4,624
Livermore	1,317	758	696	1,799	4,570
Newark	464	268	318	824	1,874
Oakland	6,511	3,750	4,457	11,533	26,251
Piedmont	163	94	92	238	587
Pleasanton	1,750	1,008	894	2,313	5,965
San Leandro	862	495	696	1,802	3,855
Unincorporated Alameda County	1,251	721	763	1,976	4,711
Union City	862	496	382	988	2,728

The ABAG Regional Housing Needs Allocations were based on a carefully crafted statutory objectives that assessed the entire region in order to:
- increase housing supply and mix of housing types,
- promote infill development and socioeconomic equity,
- promote intra-regional jobs-housing relationship,
- balance disproportionate household income distributions, and
- affirmatively further fair housing.[9]

Objective 1: Increasing Housing Supply and Mix of Housing Types, Tenure and Affordability

The nonpartisan California Legislative Analyst's Office examined California's high housing costs and outlined various causes, including a significant housing shortage in California's coastal regions. Beginning in 1980, California's housing construction was significantly slower than national and historic averages.[10] Even though there was a national housing boom in the mid 2000s, California's housing production was relatively

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[9]Ibid.

[10] California's High Housing Costs, Causes and Consequences. (2015). *Legislative Analyst's Office.* https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.aspx

stagnant. Additionally, only 10% of Berkeley's housing units were built after 1980.[11] There are many reasons why housing is expensive but a significant factor is scarcity.[12] Over the time of sluggish construction, California's housing costs began to rise and surpass the rest of the country. Now, Berkeley's home prices are $1.4 million in comparison with $269,000 nationally.[13] By contrast, Berkeley's median household income was $85,530 in 2019, just 25% higher than the national median of $68,703.[14]
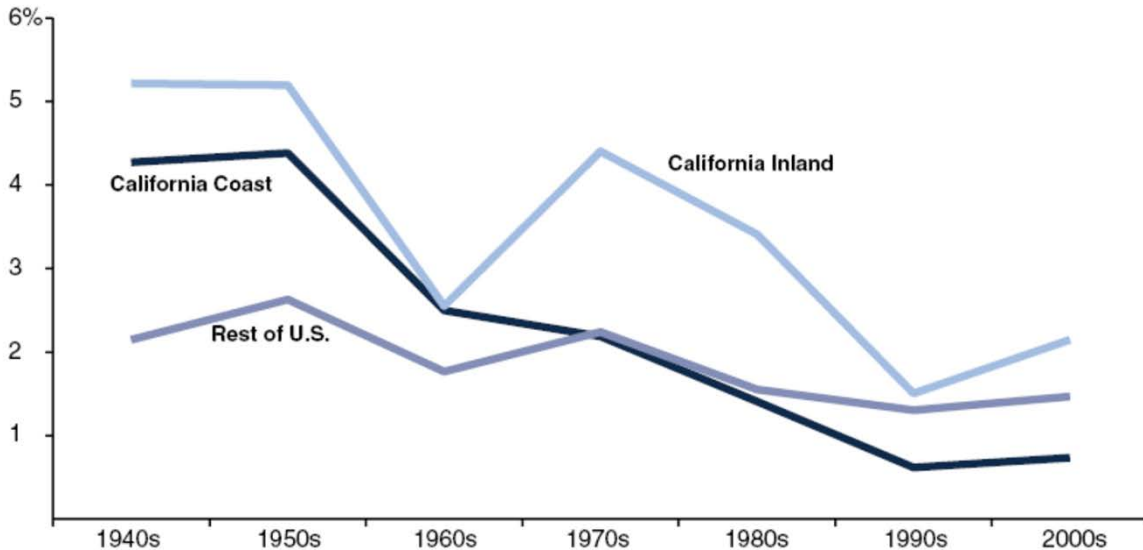
Figure 3: "California's High Housing Costs, Causes and Consequences," Legislative Analyst's Office, 2015.

Due to high costs, Californians pay a larger percentage of their income on housing and the Bay Area has become the most expensive metro region in the United States.[15] Consequently, overcrowding is often a result of insufficient housing supply and a larger share of new below market rate (BMR) subsidized affordable homes are needed because fewer residents are able to afford exorbitant housing costs.

Unfortunately, affordable housing is expensive to create–one unit of new BMR affordable housing costs upwards of $660,000 to build in the Bay Area and is just as

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[11] 2015-2023 Berkeley Housing Element. (2014). *City of Berkeley.* https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Commissions/Commission_for_Planning/2015-2023%20Berkeley%20Housing%20Element_FINAL.pdf
[12] California's High Housing Costs, Causes and Consequences. (2015). *Legislative Analyst's Office.* https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.aspx, p.12.
[13] Home Values (2021) *Zillow.* https://www.zillow.com/home-values/
[14] Income and Poverty in the United States: 2019. (2020). *U.S. Census Bureau.* https://www.census.gov/library/publications/2020/demo/p60-270.html
[15] Family Budget Calculator (2018) *Economic Policy Institute.* https://www.epi.org/resources/budget/

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difficult for individuals to access.[16] Waitlists for subsidized affordable housing are notoriously long and the likelihood of acquiring an affordable unit is small.[17] In order to fund the construction of those subsidized affordable units, cities require a certain percentage to be built in new projects or in-lieu affordable housing fees which can be leveraged for additional funding to create 100% non-profit affordable housing. Since funding Berkeley's share of very low- and low-income housing would amount to 2.5 billion dollars,[18] jurisdictions are compelled to "zone at higher densities to accommodate their allocations of low- and very-low income units."[19] Furthermore, due to Berkeley's relatively higher cost of living, its regionally assigned housing needs allocation include a greater share of very low-income and low-income unit allocations.

In "Closing California's Housing Gap," the McKinsey Global Institute offered specific remedies to address housing insecurity facing residents of the state. Specifically, the authors recommend addressing housing scarcity by identifying hot spots for housing creation. The top three potential housing "hot spots" are housing ½ mile around transit hubs, underutilized urban lots, and adding additional units to single family homes.[20]
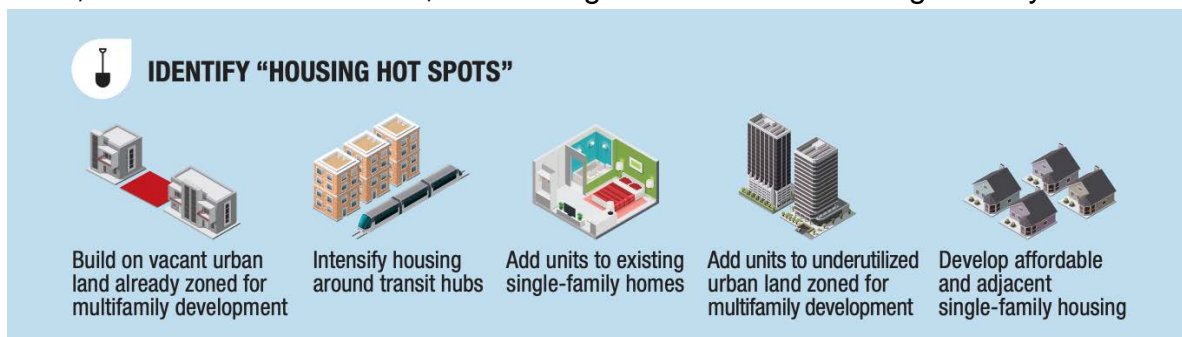
Figure 4: McKinsey Global Institute, 2016

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[16] How Much Does it Cost to Construct One Unit of Below Market Housing in the Bay Area. (2019). *Bay Area Council Economic Group.* http://www.bayareaeconomy.org/how-much-does-it-cost-to-produce-one-unit-of-below-market-housing-in-the-bay-area/#:~:text=In%202019%2C%20the%20average%20construction,of%20below%20market%20rate%20housing.

[17] For example, in San Francisco, 6,580 people applied for 95 affordable apartments while in Berkeley, 700 applied for 42 affordable units. https://www.nytimes.com/2018/05/12/upshot/these-95-apartments-promised-affordable-rent-in-san-francisco-then-6580-people-applied.html and https://www.berkeleyside.com/2018/01/18/berkeley-low-income-seniors-get-fresh-start-harper-crossing

[18] 3,854 units x $660,000

[19] Regional Housing Needs Allocations Draft Methodology: San Francisco Bay Area 2023-2031. (2021). *Association of Bay Area Governments.* https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf

[20] Woetzel, J., Mischke, J., Peloquin, S., and Weisfield, D. (2016, October). A Toolkit to Close California's Housing Gap: 3.5 Million Homes by 2025. *McKinsey Global Institute.* https://www.mckinsey.com/~/media/McKinsey/Industries/Public%20and%20Social%20Sector/Our%20Insights/Closing%20Californias%20housing%20gap/Closing-Californias-housing-gap-Full-report.pdf

Objective 2: Promoting Infill Development and Socioeconomic Equity

There is a growing demand for infill housing. *Plan Bay Area 2050* identifies Priority Development Areas (PDAs) as places with convenient public transit services and jobs which should accommodate more homes. Cities with PDAs have access to funding and plans and infrastructure improvements focused in those areas. According to a recent City of Berkeley report, the Metropolitan Transportation Commission has invested more than $630 million in PDA projects that advance community goals, including new sidewalks and bike lanes, improved transit access, and development of housing, including affordable units."[21] In addition, many competitive state transportation and housing funding programs now prioritize projects in places that implement regional plans such as PDAs.

ABAG's draft methodology also promotes socioeconomic equity by increasing the types of housing options available in the Bay Area metropolitan region with special significance placed on creating homes affordable to lower-income residents in cities "with high resource areas to promote socioeconomic mobility."[22]

Significant portions of the Bay Area are rent-burdened and Berkeley is no exception. The definition of rent-burdened means that a household pays over 30% for rent. Households are considered severely rent-burdened if they pay over 50% for rent. The Urban Displacement Project tracked the rising rent burdens by households in Alameda County and found that a majority of extremely low income households are severely rent-burdened while over 75% of low-income and extremely low income households are rent-burdened. Almost half of low-income households are rent-burdened while a significant portion of moderate-income households are rent-burdened as well.[23]

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[21] Priority Development Area Nomination (2019). *City of Berkeley.* https://www.cityofberkeley.info/Clerk/City_Council/2019/11_Nov/Documents/2019-11-19_Item_06_Priority_Development_Area_Nomination.aspx

[22] Regional Housing Needs Allocations Draft Methodology: San Francisco Bay Area 2023-2031. (2021). *Association of Bay Area Governments.* https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf

[23] Rising Housing Costs and Resegregation in Alameda County (2018). *Urban Displacement Project.* https://www.urbandisplacement.org/sites/default/files/images/alamedafinal9_18.pdf

Figure 3. Rising Rent Burdens by Household Income Category (2000-2015)
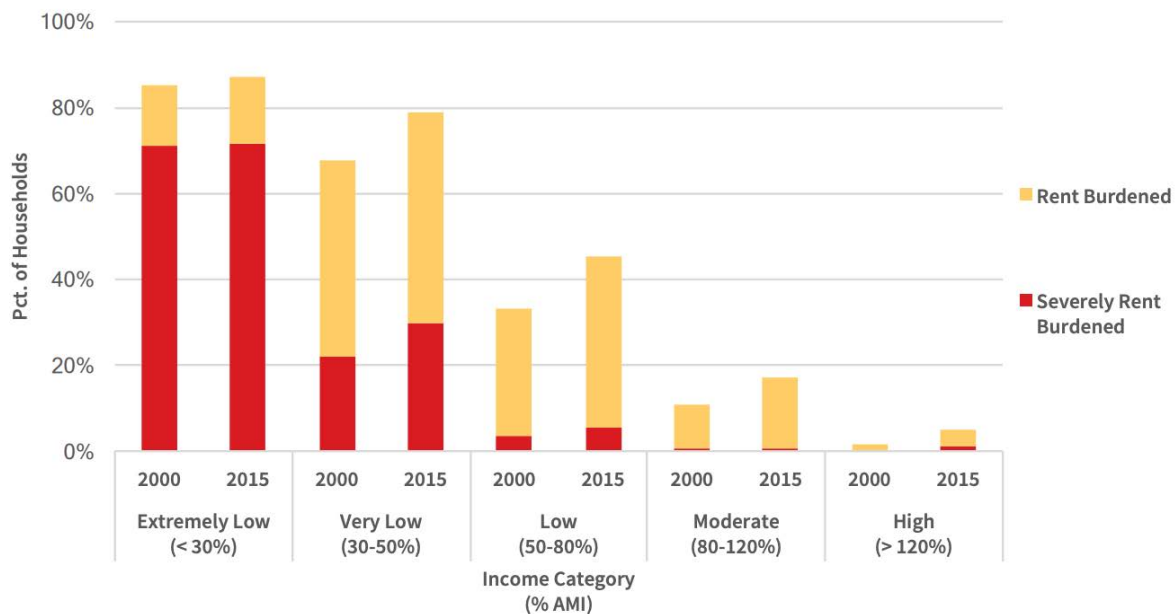
Figure 5: UC Berkeley's Urban Displacement Project, 2018

While the impact of high housing costs is clearly a racial and socioeconomic issue, the generational divide is apparent as well. Nearly half of households aged 18-34 are rent-burdened.[24] The scarcity of affordable housing near jobs and mounting student debt has led to the net worth for young households that is 20 percent lower than it was for baby boomers in 1989 and 40 percent lower than for Generation X families in 2001.[25] Homeownership is also increasingly out of reach for younger generations, as millennials are 8% less likely to own homes than baby boomers and Gen Xers. The Urban Institute conducted a comprehensive study of the barriers to millennial home ownership and provided a series of policy recommendations–changing land use and zoning restrictions, particularly in areas with inelastic housing supply, was one of the chief recommendations.[26]

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[24] Choi, J., Zhu, J., Goodman, L., Ganesh, B., and Strochak, S. (July 2018). Millennial Homeownership. *The Urban Institute.* https://www.urban.org/sites/default/files/publication/98729/millennial_homeownership.pdf

[25] Grabar, Henry. (2019). I Got Mine. *Slate Magazine.* https://slate.com/business/2019/05/california-housing-crisis-boomer-gerontocracy.html

[26] Choi, J., Zhu, J., Goodman, L., Ganesh, B., and Strochak, S. (July 2018). Millennial Homeownership *The Urban Institute.* https://www.urban.org/sites/default/files/publication/98729/millennial_homeownership.pdf

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Share of Rent-Burdened Households with Heads Ages 18 to 34

38.4%   38.7%   48.5%   52.2%   49.0%

1990   2000   2005   2010   2015
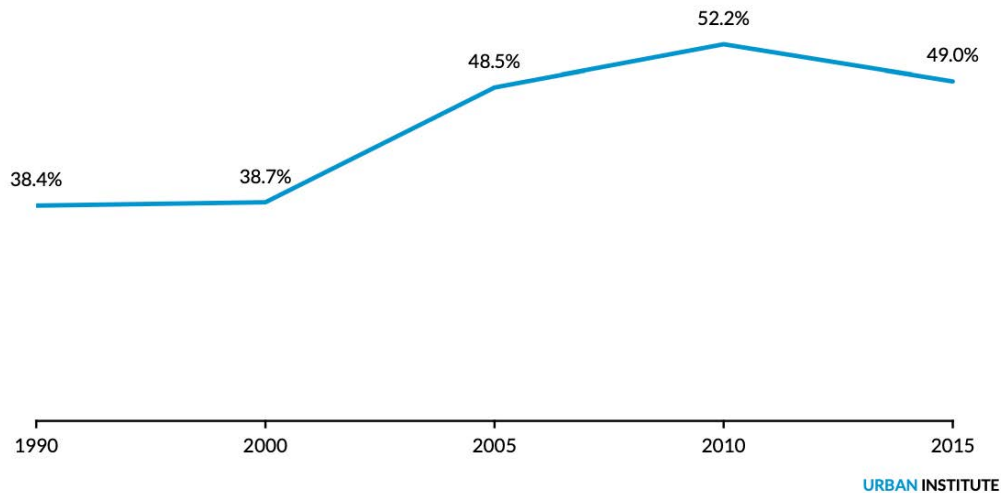
URBAN INSTITUTE

Sources: The Decennial Census and the American Community Survey.

Figure 6: Urban Institute, 2018

Objective 3: Promoting Intra-Regional Jobs-Housing Relationship

This metric seeks to address the jobs-housing imbalance and increase the availability of low-income housing in communities where low-wage workers are employed. From 2010-2015, the San Francisco-East Bay Area created one home per 6.8 new jobs, leading to a significant jobs housing balance, which was the nation's worst jobs-housing permit imbalance.[27] Due to the scarcity of affordable housing near jobs, workers are often forced to commute long distances to find cheaper housing further away from job opportunity centers. These super-commuters, those who travel more than 90 minutes to jobs, may even be underestimated in the Bay Area's Regional Housing Needs Allocation allocations.[28]

Additionally, the Sustainable Communities and Climate Protection Act of 2008 (SB375) directed regions to institute strategies to reduce greenhouse gas emissions by proactively addressing jobs-to-housing imbalances. Aligning land use and transportation by encouraging transit-oriented development can reduce Vehicle Miles Travelled (VMT). SB375 was a direct result of Assembly Bill 32, the Global Warming Solutions Act of 2006 which required ambitious targets for greenhouse gas reductions.

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[27] Salviati, C. (2017). Housing Shortage: Where Is the Undersupply of New Construction the Worst? *Apartment List.* https://www.apartmentlist.com/research/housing-shortage-undersupply-of-new-construction

[28] Elmendorf, C., Elkind, E. and Lens, M. (2021). Regional Housing Need in California: San Francisco Bay Area. *UCLA Lewis Center for Regional Policy Studies,* https://www.lewis.ucla.edu/research/regional-housing-need-san-francisco-bay-area/

Objective 4: Balance Disproportionate Household Income Distributions

This ABAG objective seeks to equalize and integrate the Bay Area with respect to income distributions in particular cities. According to the McKinsey Global Institute, virtually all extremely low-, very low- and low-income households cannot afford homes in California while approximately half of moderate income earners are unable to afford housing.[29]

Figure 7:

Nearly 100 percent of low-income Californians cannot afford the local cost of housing; more than half of those with moderate incomes are squeezed

Income level	Definition % of AMI	Total California households Million	Share of California households %	% unable to afford housing[1]	% extremely unable to afford housing[2]
Above moderate	>120	6.1	49	5	0
Moderate	80–120	1.7	13	53	0
Low	50–80	1.8	14	96	40
Very low	30–50	1.6	13	100	97
Extremely low	<30	1.4	11	100	100

1   >30% of income required to cover local cost of housing.
2   >50% of income required to cover local cost of housing.

SOURCE: US Census Bureau; Zillow; McKinsey Global Institute analysis

In ABAG's methodology, areas with high median home values in high opportunity areas were assigned a higher number of low-income affordable units while cities with higher poverty rates were assigned more moderate and higher income allocations. One factor in determining "access to opportunity" is the state's Tax Credit Allocation Committee (TCAC) 2020 Opportunity Map methodology.[30]

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[29] Using HUD's definition of >30% of income to cover housing costs.
[30] Regional Housing Needs Allocations Draft Methodology: San Francisco Bay Area 2023-2031. (2021). *Association of Bay Area Governments.* https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf

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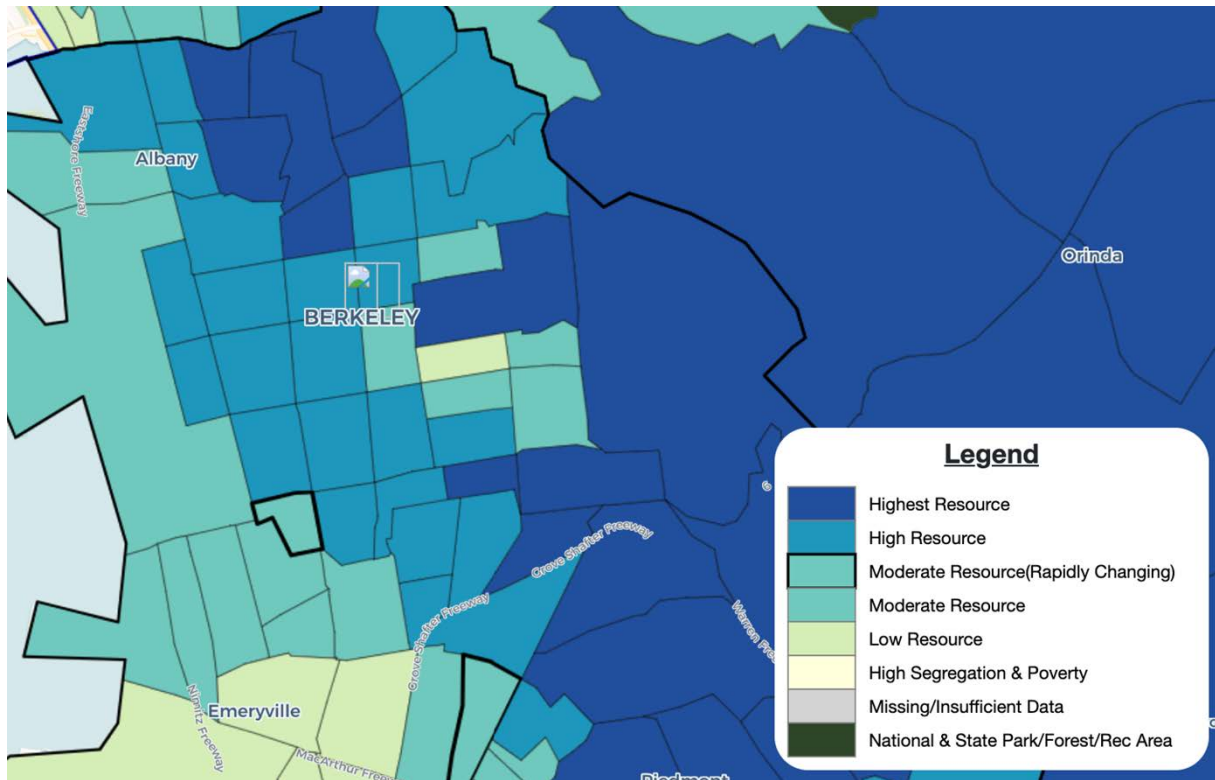
Figure 8: 2021 TCAC/HCD Opportunity Map

Furthermore, moderate income earners are often unable to access Below Market Rate (BMR) in addition to being unable to afford market rate units. As a result, this barbell-shaped delivery does not help address the need of middle income earners.

Naturally affordable housing options, like missing middle housing and accessory dwelling units often provide an avenue for lower-cost living. A Terner Center analysis of Accessory Dwelling Units (ADUs) found that 58% percent of owners rented their ADUs at below-market rates.[31] Since missing middle homes often are smaller housing types or offer economies of scale, they are frequently less expensive to owners and renters than single-family homes.

Objective 5: Affirmatively Further Fair Housing
This objective seeks to overcome patterns of segregation and foster inclusive communities.

> *Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.*

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[31] Garcia, D. (2017). ADU Update: Early Lessons and Impacts of California's State and Local Policy Changes. *Terner Center for Housing Innovation.* https://ternercenter.berkeley.edu/wp-content/uploads/pdfs/ADU_Update_Brief_December_2017_.pdf

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Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.[32]

Additionally, California cities have to proactively address and engage constituents on housing inequality and discrimination and embed these revisions into their General Plans after the passage of Assembly Bill 686 (Santiago).[33] Berkeley City Council unanimously passed a resolution on February 23, 2021 that acknowledged the role exclusionary zoning plays in our current land use patterns and pledged to eliminate it and allow multi-unit housing in Berkeley by 2022.[34]

In 1916, Berkeley pioneered single family zoning, which was "primarily designed to protect the developers and owners of large and expensive homes on the east side of the city, and the developers and owners of factories and railroad property on the west side."[35] By petitioning for single family zoning, neighborhoods were able to formally prevent unwanted businesses, often operated by people of color, from locating nearby.

In the late 1930s, the federal government developed Home Owners' Loan Corporation (HOLC) maps to guide and direct households' access to credit in neighborhoods throughout the United States. By failing to guarantee mortgages and loans in neighborhoods deemed detrimental because they were home to communities or color, those neighborhoods suffered from disinvestment that has had lasting impact.[36] In a report titled "Housing Costs and Re-Segregation in Alameda County," UC Berkeley's Urban Displacement Project summarizes this connection: "Disinvestment in these

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[32] Regional Housing Needs Allocations Draft Methodology: San Francisco Bay Area 2023-2031. (2021). *Association of Bay Area Governments.* https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf

[33] Santiago, M. (2018). Assembly Bill 686. *California Legislative Information.* https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB686

[34] Droste, L., Taplin, T., Robinson, R. and Bartlett, B (2021) Resolution to End Exclusionary Zoning in Berkeley. *Berkeley City Council.* https://d3n8a8pro7vhmx.cloudfront.net/berkeleydistrict8/pages/77/attachments/original/1616017869/Droste_Resolution_to_Eliminate_Single_Family_Zoning_Final.pdf?1616017869

[35] Weiss, Marc A. (1986). Urban Land Developers and the Origins of Zoning Laws: The Case of Berkeley *Berkeley Planning Journal* 3 (1). https://escholarship.org/content/qt26b8d8zh/qt26b8d8zh.pdf?t=poq62p&v=lg

[36] Has Oakland's Fruitvale Neighborhood Ever Recovered from 'Redlining? (February 2018). *KQED News - The California Report,* https://www.kqed.org/news/11648307/has-oaklands-fruitvale-neighborhood-recovered-from-redlining

neighborhoods during the 20th century paved the way for today's processes of gentrification and displacement."

The report elaborates on this further, noting that between 2000 and 2015, as housing prices rose, Berkeley lost thousands of low-income Black households and Berkeley saw increases of well over 30% in median rent paid (inflation-adjusted dollars).[37] An analysis of demographic changes over time comparing Berkeley's Adeline Corridor (noted as the "study area" in the chart below), the City of Berkeley as a whole, and Alameda County, further portrays the continual loss of racial diversity:[38]

Race and Ethnicity, 1990-2013
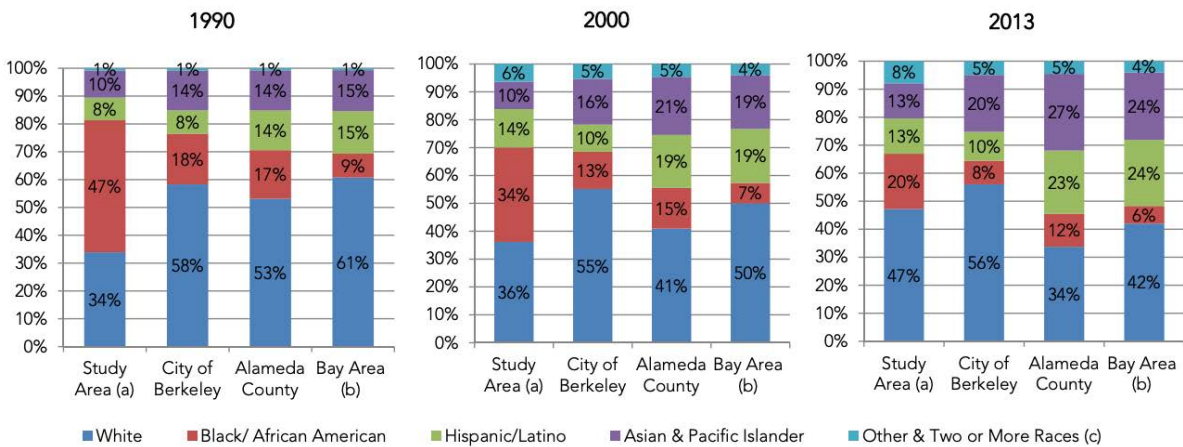
Figure 9, City of Berkeley, 2015

In a 2020 report on racial and income segregation throughout the Bay Area, UC Berkeley's Othering and Belonging Institute summarizes that "the prevalence and over-abundance of this type of restrictive zoning is a direct impediment to the development of affordable housing and certain types of housing, including dense, multi-family housing, that make integration feasible and segregation more difficult to sustain. Without addressing this problem, an integration agenda is out of reach."[39] While Berkeley is less exclusionary than other neighboring jurisdictions, Stephen Menendian, the study's lead researcher and fair housing policy expert, has stated that "while zoning reform is not a silver bullet to remedying racial and economic exclusion, it is a necessary precondition

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[37] Rising Housing Costs and Resegregation in Alameda County. (2018). *Urban Displacement Project,* https://www.urbandisplacement.org/sites/default/files/images/alameda_final.pdf

[38] Adeline Corridor Specific Plan - Existing Conditions Report. (2015). *City of Berkeley.* https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Land_Use_Division/3_DemogEcon.pdf

[39] Menendian, S. et al. (2020). Racial Segregation in the San Francisco Bay Area, Part 5. *UC Berkeley Othering and Belonging Institute.* https://belonging.berkeley.edu/racial-segregation-san-francisco-bay-area-part-5

to address housing segregation, lack of affordable housing, new housing production, homelessness and housing precarity, climate, displacement and gentrification."[40]

FISCAL IMPACTS

Refer $500,000 to the budget process to assist in zoning revisions and ensure the City of Berkeley has a compliant Housing Element. Staff is encouraged to seek regional, state and federal grants to support this work.

ENVIRONMENTAL SUSTAINABILITY

Increasing the availability of homes is a core environmental issue and is part of the City of Berkeley's Climate Action Plan. Climate researchers at University of California created a local government climate policy tool to measure policies based upon how well they reduce carbon footprints. In their analysis of 700 cities, these researchers determined that infill housing has the biggest impact.[41]

GHG Reduction Potential in 2030 from Local Policies
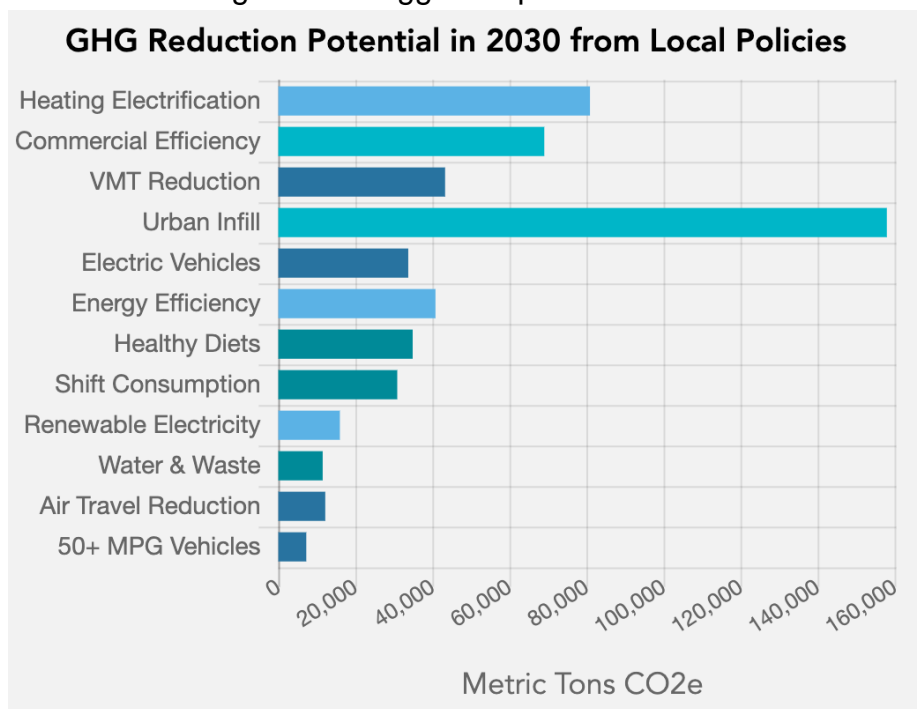
Figure 10: Cool Climate Network, 2018

The Environmental Protection Agency promotes the investment in infill housing near jobs and transit in order to reduce urban sprawl, greenhouse gas emissions, and traffic.[42] Currently, 59% of Berkeley's greenhouse gas emissions come from

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[40] Correspondence with Stephen Menendian, February 22, 2021.

[41] Jones, C, Wheeler, S, and Kammen, D. (2018) California Local Government Climate Policy Tool. *Cool Climate Network.* https://coolclimate.berkeley.edu/ca-scenarios/index.html

[42] Smart Growth and Economic Success: Investing in Infill Development. (2014). *Environmental Protection Agency, Office of Sustainable Communities.* https://www.epa.gov/sites/production/files/2014-06/documents/developer-infill-paper-508b.pdf

transportation. In order to protect environmental and agricultural resources, development patterns should be in high opportunity areas to reduce commute times. Accordingly, the Association of Bay Area Governments focus the centering homes in high opportunity areas with low vehicle miles travelled (VMT). Berkeley's Climate Action Plan cites the need for density along transit corridors and adaptive reuse of historic buildings when feasible in order to meet our climate goals.[43]
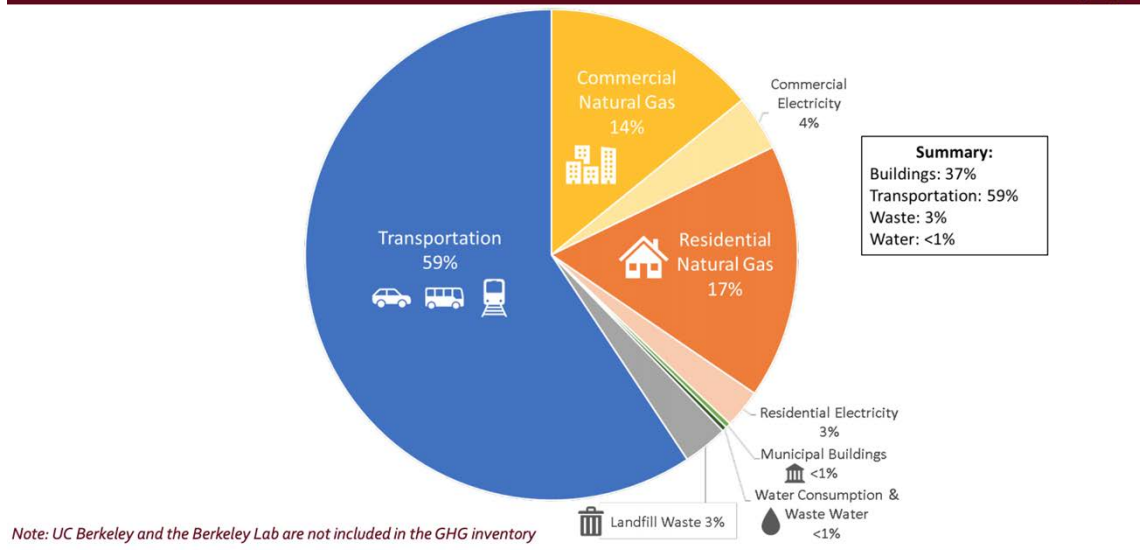
Figure 11: Climate Action Plan Update, 2020

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[43] Climate Action Plan. (2009). *City of Berkeley.*
https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Energy_and_Sustainable_Development/Berkeley%20Climate%20Action%20Plan.pdf

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<u>ACTION CALENDAR</u>
March 25, 2021

To: Honorable Mayor and Members of the City Council
From: Councilmembers Sophie Hahn (Author), Kate Harrison (Author), and
             Ben Bartlett (Cosponsor)
Subject: Initiation of Participatory Planning for Berkeley's
             Regional Housing Needs Allocation (RHNA)

<u>RECOMMENDATION</u>

1. Direct the City manager to initiate and take all steps necessary to launch and complete the City's housing element update in compliance with all State and City of Berkeley laws, plans, guidelines and regulations, to meet the January 2023 RHNA deadline for submission to the California Department of Housing and Community Development (HCD).
2. Refer to the City Manager to hire experienced, culturally competent consultants to lead the housing element update and any required California Environmental Quality Act (CEQA) processes in collaboration with members of the public, the Planning, Housing Advisory, Homeless and other appropriate Commissions, the City Council, and City staff.
3. Refer to the Budget process the identification and allocation of at least $500,000 in funds necessary to complete the housing element update in a thoughtful, comprehensive, participatory, culturally competent and timely manner.
4. Refer to the City Manager to study and report back to the City Council the following:
   a. A map of State legislation, with a focus on new legislation adopted since the City's last housing element update, to clarify the State regulatory landscape in which Berkeley's current RHNA planning will take place. Legislation mapped should include but not be limited to new laws about ADUs, SB35, and related to planning in high risk fire/earthquake/sea level rise areas.

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      b. An evaluation of the distribution of RHNA-required units at each affordability level, taking into account Berkeley's current housing pipeline report, the amount of housing in the pipeline at various affordability levels, and City demographics related to income.

      c. Status of State-level efforts to count group living accommodation (GLA) units/beds towards RHNA requirements.

5. Finalize objective planning standards and updated affordable housing requirements, as previously referred by the City Council, simultaneously with the RHNA planning process.

6. Refer to the City Manager to ensure that the framing of the housing element update reflects core Berkeley values of equity, affordability, and protection of residents from displacement and predatory purchasing, and puts cooperative, land-trust and other social housing concepts, as well as innovative home ownership models, on an equal footing with more traditional market-rate and affordable housing solutions.

SUMMARY

As part of the RHNA process, California requires cities to update their housing element. An effective housing element provides the necessary conditions for developing and preserving an adequate supply of housing, including housing affordable to seniors, families, and workers, as well as currently unhoused members of the community. Because the housing element must be regularly revised according to a legally mandated schedule, the update process provides the opportunity for Berkeley to update our housing and land-use strategies to reflect changing needs, resources, and conditions. While important to meeting one of the most basic needs of our community, updating the housing element can be a daunting project, and requires significant investment in planning and analysis, as well as providing opportunities for broad, legally mandated participation by the community.

ABAG, the Bay Area authority responsible for allocating the Bay Area's housing need amongst all of the jurisdictions within our region, has currently allocated to Berkeley the production of from 7,730 to 9,025 units.[1]

As the next step in meeting Berkeley's requirements under State Law, the City is required to submit to the California Department of Housing and Community Development (HCD), by January of 2023, a proposal to update our housing element. To meet this deadline while doing full justice to the requirement for robust public

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[1] " Appendix 3: Jurisdiction Illustrative Allocations
" https://abag.ca.gov/sites/default/files/abag_draft_rhna_methodology_release_december2020.pdf

participation, Berkeley must begin the planning and update process as quickly as possible.

Therefore, this item requests that the City manager immediately initiate all steps necessary to launch and complete the City's housing element update in compliance with State and City of Berkeley laws and regulations. In addition, this item refers to the City Manager to hire experienced consultants to help lead the update process in collaboration with members of the public, the Planning Commission, the City Council and city staff.

Finally, this item refers the identification and allocation of funds necessary to complete the housing element update in a thoughtful, comprehensive, participatory and timely manner to the Budget process. Sources of funds may include grants or allocations from the City's own resources.

BACKGROUND & EXISTING PLANS, PROGRAMS, POLICIES & LAWS

Regional Housing Needs Allocation and Housing Elements
Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. California's local governments meet this requirement by adopting housing plans as part of their "general plan" (also required by the state). General plans serve as the local government's blueprint for how the city and/or county will grow and develop and include seven elements: land use, transportation, conservation, noise, open space, safety, and housing. The law mandating that housing be included as an element of each jurisdiction's general plan is known as "housing-element law."

California's housing-element law acknowledges that as the private market plays a key role inadequately addressing the housing needs and demand of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain), housing development. As a result, housing policy in California rests largely on the effective implementation of local general plans and, in particular, local housing elements.[2]

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[2] https://hcd.ca.gov/community-development/housing-element/index.shtml

Updating a jurisdiction's housing element, while important to meeting one of the most basic needs of Californians, can be daunting, and a lot is at stake. Individuals and families are directly affected by each jurisdiction's ability to plan for the housing needs of those who will live, work, and play in every community.

Those who build homes and apartments and help families become homeowners often rely on funding from not only local but also state and federal housing programs administered by HCD and other state departments and agencies. In some cases, funding from state/federal housing programs can only be accessed if the jurisdiction has a compliant housing element. In other cases, a compliant housing element is not a requirement in order to apply for funding; however, those applying for funding will receive extra points on their application if they do have a compliant housing element (thereby increasing their chances in the competitive application process).

In order to create a housing plan (aka housing element) showing it could meet the local housing needs, a jurisdiction must first know how much housing it must plan for (and estimate how much will be needed at a variety of affordability levels in order to match the needs of the people who will live there). This is determined by a process called the regional housing needs assessment.

The Role of the California Department of Housing and Community Development
The California Department of Housing and Community Development (HCD) plays the critical role of reviewing every local government's housing element to determine whether it complies with state law and then submits written findings back to each local government. HCD's approval is required before a local government can adopt its housing element as part of its overall General Plan.

Jurisdictions can opt to update their housing elements every five years or every eight years. The option to use an eight-year schedule was created to better align with the schedule local governments (or COGs/MPOs) have to meet to update their Regional Transportation Plans (which are updated every four years), now mandated to align with housing plans in Regional Sustainable Communities Strategies. Berkeley is on an eight-year cycle, with the current housing element covering the years of 2015-2023.[3]

Calculating the Housing Need in Each Region
HCD is responsible for determining the regional housing needs assessment (segmented by income levels) for each region's planning body known as a "council of governments" (COG). The Bay Area's COG is the Association of Bay Area Governments (ABAG).

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[3] https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Commissions/Commission_for_Planning/2015-2023%20Berkeley%20Housing%20Element_FINAL.pdf

HCD starts with demographic population information from the California Department of Finance and uses a formula to calculate a figure for each region/COG.

Each COG uses its own demographic figures to calculate what it believes the regional housing need is. Each COG then coordinates with HCD — taking into account factors not captured in the calculations — to arrive at a final figure. This final figure is the regional housing needs assessment.

On January 21, 2021, the ABAG Executive Board approved the Draft Regional Housing Needs Allocation (RHNA) Methodology and Final RHNA Subregional Shares.[4] Building on a previous proposal, the Draft RHNA Methodology includes two key changes, incorporating 2050 Households projections from the Plan Bay Area 2050 Final Blueprint and integrating an "equity adjustment."[5]

Whereas the Plan Bay Area 2050 Draft Blueprint featured 25 strategies that influenced the location of future growth, the Final Blueprint features 35 revised strategies adopted by the ABAG Executive Board and Metropolitan Transportation Commission in fall 2020. These strategies shift the regional growth pattern, with more household growth directed to transit-rich, high resource places to support Plan Bay Area 2050 in meeting the statutory greenhouse gas reduction target. Additionally, the Final Blueprint features updated local land use data based on consultation with local jurisdictions in summer/fall 2020.[6]

A second change in the draft RHNA methodology is the incorporation of the "equity adjustment" that would increase the allocations of lower-income units for some jurisdictions identified as having racial and socioeconomic demographics that differ from the regional average.[7]

As it has for the past several RHNA cycles, ABAG convened a Housing Methodology Committee (HMC) to guide development of the methodology used to allocate a share of

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[4] https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf
[5] https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation
[6] https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf
[7] https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf

the region's total housing need to every local government in the Bay Area.[8] ABAG's HMC approach goes beyond the legal requirements to facilitate dialogue and information-sharing among local government representatives and stakeholders from across the Bay Area with crucial expertise to address the region's housing challenges.

Striving to advance equity and affirmatively further fair housing, ABAG sought to ensure a breadth of voices in the methodology process. The HMC held 12 meetings starting in October 2019 to formulate a recommended RHNA methodology.[9]

As required by law, ABAG submitted the Draft RHNA Methodology to HCD for its consideration and review on February 11, 2021, kicking off a 60-day statutory review period for the State.[10] In the coming months, the following key steps are required in the RHNA process:[11]

- Late Spring 2021: after receiving feedback from HCD, ABAG will adopt a Final RHNA Methodology and release Draft Allocations.
- Summer and Fall 2021: release of the Draft Allocations kicks off the period in which a local jurisdiction or HCD can submit an appeal to ABAG requesting a change to any Bay Area jurisdiction's allocation. Requirements for the appeals process are outlined in Government Code Section 65584.05 and ABAG will be releasing more detailed guidance in early summer.
- Late 2021: the ABAG Executive Board will adopt Final Allocations, taking into consideration the results of the appeals process. This final adoption will also include a public hearing.
- January 2023: Housing Element updates are due to HCD.

Housing-Element Update Cycles
To date, there have been four previous housing element update "cycles." California is now in its fifth "housing-element update cycle."[12] Berkeley's current ABAG Housing Element can be found here: City of Berkeley 2015-2023 Housing Element.[13]

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[8] https://abag.ca.gov/sites/default/files/documents/2021-02/ABAG_Draft_RHNA_Methodology_Report_2023-2031.pdf

[9] https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation/housing-methodology-committee

[10] https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation

[11] https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation

[12] https://hcd.ca.gov/community-development/housing-element/index.shtml

[13] https://www.cityofberkeley.info/housingelement/

Updating a jurisdiction's housing element, while important to meeting one of the most basic needs of Californians, can be daunting; and yet, the importance of housing elements to individuals and families, communities, and those who build homes and apartments is undeniable. So, HCD has created Building Blocks: A Comprehensive Housing-Element Guide to assist jurisdictions in creating comprehensive housing elements.[14]

An effective housing element provides the necessary conditions for developing and preserving an adequate supply of housing, including housing affordable to seniors, families, and workers, as well as unhoused members of the community. Because the housing element must be regularly revised according to a legally mandated schedule, the update process provides the opportunity for Berkeley to update our housing and land-use strategies to reflect changing needs, demographics, resources, and conditions. For example, the housing element update can provide a mechanism to adopt efficient land-use strategies such as infill development, mixed-use development, encouragement of and amnesty for illegally built accessory units, or downtown revitalization. It can also provide a vehicle for Berkeley to continue to strengthen housing and land-use strategies that address climate change and reduce greenhouse gas emissions. For example, promoting higher-density, infill housing for low-income workers or promoting housing along transit corridors, allowing more people to get out of their cars and use public transit.[15]

Housing Needs
Housing-element law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the regional housing needs allocation. A complete analysis is required to include a quantification and a descriptive analysis of the specific needs and resources available to address these needs.[16]

Site Inventory and Analysis
Government Code Section 65583(a)(3) requires local governments to prepare an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites. The inventory of land suitable for residential development is used to identify sites that can be developed for housing within the planning period.[17]

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[14] https://hcd.ca.gov/community-development/housing-element/index.shtml

[15] https://hcd.ca.gov/community-development/building-blocks/index.shtml

[16] https://hcd.ca.gov/community-development/building-blocks/index.shtml

[17] https://hcd.ca.gov/community-development/building-blocks/index.shtml

Constraints

The housing element must identify and analyze potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels, including housing for people with disabilities. The analysis must identify the specific standards and processes of these constraints and evaluate their impact on the supply and affordability of housing. The analysis should determine whether local, regulatory standards pose an actual constraint and must also demonstrate local efforts to remove constraints that hinder a jurisdiction from meeting its housing needs.[18]

Berkeley's work to plan for housing at Ashby and North Berkeley BART stations, the adoption of the Adeline Corridor Plan, work to streamline creation and legalization of accessory units, the recent adoption of a resolution expressing intent to bring additional density to traditional low-density zones, elimination of parking minimums in favor of housing, and increased use of group living accommodations are among the steps being taken to remove potential constraints.

Equally important have been 2018 Measures O and P, which opened the door to production of affordable housing and to rehousing the homeless in supportive housing developments.

Program Requirements

Each jurisdiction must identify specific programs in its housing element that will allow it to implement the stated policies and achieve the stated goals and objectives. Programs must include specific action steps to implement its policies and achieve its goals and objectives. Programs must also include a specific timeframe for implementation, identify the agencies or officials responsible for implementation, describe the jurisdiction's specific role in implementation, and identify specific, measurable outcomes.[19]

Analysis of Consistency with General Plan

The housing element affects a locality's policies for growth and residential land uses. Among other things, the housing element establishes the locality's housing goals, policies, and objectives; identifies sites for new construction; and addresses governmental constraints. The goals, policies, and objectives of an updated housing element should be reviewed in the context of the land-use, circulation, open-space elements, zoning, and/or redevelopment and capital improvement plans.

The general plan is required to be "internally consistent" meaning any and all conflicts between general plan elements should be acknowledged and resolved. Jurisdictions

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[18] https://hcd.ca.gov/community-development/building-blocks/index.shtml
[19] https://hcd.ca.gov/community-development/building-blocks/index.shtml

must ensure programs and policies in other elements do not conflict with those of the housing element; in particular the land-use, circulation, or conservation elements. For example, the circulation element levels of service (LOS) standards may need to be updated to reflect potential build out capacities proposed in the housing element. Also, realistic development capacity could be impacted by the conservation element policies that require new residential projects to provide large, open-space corridors or buffer areas.

When conflicts exist, the housing element must describe how consistency will be achieved and how the goals of the housing element will be addressed.

Many communities attempt to address and resolve conflicts by amending the zoning ordinance and all relevant elements of the general plan concurrent with amendment of the housing element, and it is likely that Berkeley will need to do both in 2023. For example, if densities of particular sites must be increased to identify adequate sites, the attendant amendments to the general plan and zoning ordinance will likely be proposed and adopted at the same public hearing as the housing element.

In addition to resolving inconsistencies among various elements and/or ordinances at the time of updating the housing element, any subsequent amendment to the housing element or other general plan elements, will trigger a review of the entire general plan, especially land-use provisions, to ensure internal consistency is maintained.[20]

Updating Berkeley's housing element is a substantial task that has broad implications

for the General Plan, and for the City's future. It also will likely entail change and

impacts that substantially transform the physical shape of Berkeley over the next 30 years. Needs for open space, infrastructure, transit options and other elements of a healthy, diverse, equitable and enjoyable community are implicated in any plan to significantly increase housing in Berkeley. For these reasons, and because democratic participation and public input are core Berkeley values, enshrined in our General Plan, and because robust public participation is required by the State of California, Berkeley needs to quickly identify the funds to hire culturally competent consultants to undertake a thorough, thoughtful, comprehensive and participatory process that meets the 2023 deadline.

Public Participation

The State of California requires that cities "make a diligent effort to achieve public

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[20] https://hcd.ca.gov/community-development/building-blocks/other-requirements/analysis-consistency-general-plan.shtml

participation of all economic segments of the community in the development of the housing element."[21]

Housing issues affect the entire community — residents, employers, and the public and private sectors. The public participation requirement of housing-element law presents an opportunity to engage constituents in a dialogue — defining problems and creating solutions. The inclusion of community stakeholders (including residents) in the housing-element public participation process helps ensure appropriate housing strategies are more efficiently and effectively evaluated, developed, and implemented. An inadequate public participation process may lead to anti-development initiatives, and strong, vocal community opposition to greatly needed housing development. Successful public participation is important because a diverse cross section of the population can be engaged in defining the housing problem and in crafting solutions that work for everyone in the community. Broad participation and true engagement of the public increases the likelihood that the community members involved in the discussion and planning processes will support new housing strategies and housing developments.[22]

In addition, Government Code 65583(c)(7) requires: "The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort."[23]

Specifically,

- The jurisdiction must make a diligent effort to include all economic segments of the community (including residents and/or their representatives) in the development and update of the housing element.
- The housing element should clearly describe efforts to engage the community throughout the housing-element process (e.g., types of outreach, meetings.) and clearly describe the implementation of the housing-element process.
- The housing element should describe who was invited to participate, which groups actually participated, general comments received, and how comments were incorporated into the housing element.
- The housing element should describe any ongoing efforts to engage the public and stakeholders in the implementation of the housing element.[24]

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[21] https://hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml
[22] https://hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml
[23] https://hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml
[24] https://hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml

The State highlights the example of creative steps taken by the City of Richmond to ensure broad and meaningful participation.

Photo credit: City of Richmond Planning Department

To announce workshops on the update of its general plan, the City of Richmond mailed more than 32,000 newsletters to households and placed ads and announcements in local newspapers, on the radio, and on its website. In addition, the city created a mobile planning department, known as the "Plan Van." The Plan Van made stops in the community at neighborhood events and throughout the city to provide residents with information, encouraging them to share their ideas for the city and learn more about the general plan update.

State Guidance on Participation

The State provides the following guidance regarding participants in the public planning process:

- Involve low- and moderate-income residents to discuss housing problems faced and resources needed.
- Seek housing needs and conditions information from a wide variety of housing consumers and service providers, such as tenants in units at risk of conversion to market-rate, health- and human-service providers, homeless-shelter and mental-health service providers, places of worship, seniors, farmworkers, and non- and for-profit affordable housing developers.
- Engage advocates or groups with housing interests early in the process, so they can share their ideas on how to meet the housing needs of those they represent. These groups are often ones who provide written comments during the housing-element review process. Including them early in the housing-element development process will help to resolve issues or concerns during the development of the element.
- Invite other stakeholder groups into the housing-element development and implementation processes. These might include local or regional business groups such as the local chamber of commerce, which is concerned about the availability of housing for employees and how housing availability affects regional economic growth. Other stakeholders could include grassroots, community-based organizations, neighborhood associations, homeowner/resident

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- organizations, and civic groups, such as the League of Women Voters, and rotary clubs.
- By including development and finance professionals in the housing-element process, the constraints to housing development (land availability, regulatory environment, and financing concerns, etc.) can be identified based on real-world experience. Appropriate responses and strategies can then be collaboratively developed.
- Local governments should promote involvement of all appropriate local departments to ensure interdepartmental issues are addressed in a comprehensive and efficient manner. For example, the public works department may be able to provide information about infrastructure issues, and the codes department may have information about the condition of the housing stock.[25]

State Approaches to Public Participation
The State also provides recommendations for approaches to public participation (some of which might not be advisable if we continue under Shelter-in-Place):

- Identify key individuals who can represent their constituent communities during all stages of the housing-element process.
- Be proactive in reaching out to the community. Visit neighborhoods and participate in local events. Establish an ongoing housing-element update and implementation committee using an appointed, ad-hoc, or volunteer citizen-advisory committee to oversee the update and implementation of the housing element.
- Use direct mail, radio ads, and local print or electronic media (such as neighborhood newsletters) to communicate opportunities to engage in the housing-element process.
- Always consider the composition of your target audience and use communication tools that are language-appropriate, culturally sensitive, and grade-level readability.
- Create a website to provide a user-friendly, interactive platform during the housing-element process. Include a link to an online survey that collects responses in a spreadsheet for easy analysis. Include a housing-element public participation blog, which can record more comments than a simple survey and reveal a greater sense of community members ′impressions and concerns about housing needs and plans for development. (The draft element should also be posted on the city′s website.)

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[25] https://hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml

- Once initial community input has been received, provide draft copies of the housing elements to all stakeholders.
- Use creative methods to communicate the importance of all stages of the housing-element process.
- Use attractive direct-mail brochures and surveys to capture information.
- Consider mobile resources. See the City of Richmond's "Plan Van" (in box above) and include interactive presentations.
- Consider having barbecues or set up information displays at community events to enhance interaction with the public. It is important to show up at community functions both to make connections at the neighborhood level, but also to create opportunities to engage people in their own communities.
- Conduct guided tours of both market-rate and affordable developments to show visual comparisons and generate housing ideas. In addition, tours of sites being considered for housing development can give citizens a chance to provide input on site selection.
- Conduct training and education workshops where you can identify individuals who may be interested in taking a community leadership role in the housing-element process.
- Create computer simulations of housing development proposals showing all housing types and locations.
- Encourage ongoing participation by conducting annual public meetings to discuss housing needs and priorities, development successes, and the need for additional resources. Continuing involvement emphasizes the importance of the public's role in effective implementation.[26]
- Anticipate logistical concerns. Public participation can be impeded by language barriers, transportation, meeting times, and child care. Minimize these barriers by anticipating these issues in advance. Plan to address as many concerns as possible. For example:
  - Plan some meetings in the evenings and/or on weekends.
  - Provide childcare.
  - Plan the meetings in locations accessible by public transit or assist in transportation.
  - Provide translation/interpreter services.
- Seek input to the housing element early in the development, implementation, and oversight stages.

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[26] https://hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml

- Follow up after each event. After holding a public forum or activity, establish a procedure to follow up with concrete action to address the community's concerns. Be sure that all information relevant to the process is made available, either at regular meetings or by posting to a website. This will help to establish and maintain the jurisdiction's credibility.

State Guidance on Facilitation of Meaningful Participation

- Develop a public participation infrastructure that includes the following resources to promote sustainable community involvement:
  - A contact person who is available to the public to answer questions, respond to concerns, and provide information about resources.
  - An interactive website where stakeholders can access information and voice ideas and concerns.
  - Annual meetings where stakeholders can gather to celebrate successes in housing development, learn about local land-use and development issues, voice concerns, and develop a vision for future housing development.
- Conduct effective meetings and establish rapport early. Build consensus among stakeholders, the public, professionals, and local decision-makers. Help the group move from decision-making based on personal experience alone toward decision-making that is in the interest of the whole community. Effective meetings with the public will:
  - Maintain integrity by demonstrating willingness to follow up on concerns and incorporating input.
  - Develop rules for engagement. Every participant should agree to the same set of rules and protocols.
  - Respect community values and concerns. Acknowledge the sincerity of expressed views.
  - Bring directly affected stakeholders into the process as soon as possible. This facilitates the creation of teamwork earlier on and communicates that the process is inclusive.
  - Focus on listening. Being patient and listening to all viewpoints, especially when the process breaks down, is valuable to restart the process and gain credibility with the participants.
  - Demonstrate willingness to consider and incorporate stakeholder input.

    The public participation process should not be used to "rubber stamp" a predetermined objective or policy.

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○ Present all information and data in a format that is easily understood. Take time to ensure the public understands critical information. Encourage questions.[27]

CITY OF BERKELEY GENERAL PLAN REQUIREMENTS

In addition to State mandates applicable to updates to the Housing Element, Berkeley's General Plan also includes policies and processes that must be adhered to, including CEQA analysis.

Berkeley's General Plan is a comprehensive, long-range statement of policies for the development and preservation of Berkeley. It is a statement of community priorities and values to be used to guide public decision-making in future years. The Berkeley General Plan is a compilation of goals, objectives, policies, and actions designed to manage change. The Plan's goals, objectives, and policies serve as a guide to the day-to-day decisions that are essential for responsive government. The General Plan provides that decisions made by the Berkeley City Council and its advisory boards and commissions about the physical development of the city should be consistent with the goals, objectives, and policies of this Plan. The City Council and the Planning Commission are directed to use the General Plan when evaluating land use changes and making funding and budget decisions. It is used by the Zoning Adjustments Board and City staff to help regulate development proposals and make decisions on projects. The policies of the Plan apply to all property, both public and private, within the Berkeley city limits.

The Plan's goals are implemented through decisions and actions consistent with the objectives, policies, and actions of each of the nine Elements. The goals and associated policies and actions are intended to work together in concert to establish and maintain Berkeley as a sustainable community that promotes social equity, environmental quality, and economic prosperity to meet the needs of the present without compromising the needs of future generations.

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[27] https://hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml

The General Plan includes chapters on both Land Use[28] and Housing[29], as well as a chapter on community participation[30].

Public/Community Participation Element

The community element of Berkeley's General Plan is very clear about the importance of robust resident input in all planning processes. The introduction to the element states:

> "The City of Berkeley has a long and rich history of citizen participation. While an element dealing with citizen participation is not, under State law, a required part of the General Plan . . . The presence of such an element acknowledges the importance of the participation philosophy that forms such a vital part of Berkeley public life."

The community participation element includes 6 goals:

1. Ensure citizen and community participation in General Plan and other planning tasks.
2. Improve citizen participation in relationship to the crucial decision-making bodies in land use matters.
3. Enhance notification, information, and process for citizen input in land use matters.
4. Improve neighborhood participation in Current planning and decisions.
5. Increase the use of new technology for citizen participation.
6. Improve the role of City administrative structure and staff in relationship to meaningful citizen participation.

Policy CP-2: Community Involvement in Planning further reinforces the central role of community participation in planning:

> "Whenever an area plan, a strategic plan, or any other Current planning is undertaken, there must be continuous and maximum participation by those who will be affected by the plan including committees of residents who live in or near

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[28] https://www.cityofberkeley.info/Planning_and_Development/Home/General_Plan_-_Land_Use_Element_Introduction.aspx
[29] https://www.cityofberkeley.info/Planning_and_Development/Home/General_Plan_-_Housing_Element.aspx
[30] https://www.cityofberkeley.info/Planning_and_Development/Home/General_Plan_-_Citizen_Participation_Element.aspx

the plan area, merchants, and others who do business in the plan area, as well as members of interested groups and the general public." [31]

Amending the General Plan

The Planning Commission, City staff, City Council, or the general public can initiate amendments to the General Plan. Amendments require submittal of an application to the City and public hearings by the Planning Commission and City Council. General Plan amendments are also subject to environmental review in accordance with the provisions of the California Environmental Quality Act (CEQA).

Decisions to recommend or adopt a General Plan amendment must be supported by findings of fact. These findings are the rationale for making a decision either to approve or deny the amendment. While specific findings may be applied on a case-by-case basis, at least the following standard findings should be made for each General Plan amendment:

1. The proposed amendment is in the public interest.
2. The proposed amendment is consistent and compatible with the rest of the General Plan.
3. The potential effects of the proposed amendment have been evaluated and have been determined not to be detrimental to the public health, safety, or welfare.
4. The proposed amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act.[32]

General Plan Goals

The General Plan lays out seven major goals for Berkeley, which are reproduced in full below:

Goal #1: Preserve Berkeley′s unique character and quality of life: Berkeley is a unique place. It has a population that is ethnically, culturally, and economically diverse and its citizens value that diversity. Its citizens care deeply about their community and many participate actively in its civic affairs. Berkeley is fortunate to be located in the center of the Bay Area with its desirable climate and physical beauty. While much more than just a university town, Berkeley benefits from the University of California′s cultural

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[31] https://www.cityofberkeley.info/Planning_and_Development/Home/General_Plan_-_Citizen_Participation_Element.aspx

[32] https://www.cityofberkeley.info/contentdisplay.aspx?id=488

and educational facilities and its positive impact on the local economy. As one of the older cities in the East Bay, Berkeley has a number of lively pedestrian-oriented commercial areas that developed along former streetcar routes and near the University. It has many pleasant, livable residential neighborhoods with many attractive older homes. It has largely avoided the newer car-oriented suburban sprawl and strip mall style of commercial development found in other parts of the Bay Area. This plan includes policies and actions to ensure that Berkeley retains its unique character and quality of life.

Prepare for Natural Disasters. Earthquakes on the Hayward Fault and fires in the hills pose a threat of severe physical damage to the city and the loss of life to Berkeley residents and visitors. The General Plan calls for enhanced preparedness for natural and man-made disasters to minimize damage and effectively implement recovery operations.

Reduce Traffic and Encourage Transit. The increase in automobile traffic volume on city streets, its spillover onto local residential streets, and the increased congestion on a number of major streets have eroded the livability of some parts of the city and pose a continuing threat to Berkeley's quality of life. Berkeley has too many accidents involving pedestrians and bicyclists. There are major gaps in and problems with the transit service available to Berkeley residents. The General Plan contains policies to improve and to encourage use of alternative modes of transportation, including working with transit agencies to establish a citywide or regional "Eco-Pass" program that would provide free transit passes. There are also policies to calm traffic and improve pedestrian and bicycle safety.

Encourage Appropriate Infill Development. With little vacant land available for development, all new development in Berkeley will be infill development. To preserve Berkeley's character, it is essential that infill development be sensitively designed and thoughtfully planned to fit in with the existing built environment. The General Plan leaves in place most development standards and zoning created and implemented through previous area plan processes. This zoning encourages housing and mixed-use development in Downtown and along the city's transit corridors. The General Plan calls for new development to contribute to the provision of necessary public improvements to serve current and future populations such as open space, transportation, and affordable housing. The Plan also makes a commitment to preserve the city's historic resources.

<u>Goal #2: Ensure that Berkeley has an adequate supply of decent housing, living-wage jobs, and businesses providing basic goods and services:</u> To maintain Berkeley's unique character and quality of life, Berkeley must strive to maintain the cultural, social, and economic diversity that is such an important aspect of the character of Berkeley. If Berkeley is to remain a diverse community with a wide range of races, incomes, cultures, and ideas, Berkeley must take steps to maintain an adequate supply of decent, affordable housing, a range of jobs, and a variety of local goods and services.

Increase the Supply of Affordable Housing. One major threat to Berkeley's character and to its diversity is gentrification. As rents and home prices rise, fewer people can afford to live in Berkeley. The General Plan contains policies and actions that provide incentives to develop new affordable housing, including revisions to Downtown height bonuses. It also contains policies and actions to maintain and increase the affordability of the existing housing supply, including acquisition of existing rental housing.

Support Local Businesses and Neighborhood-Serving Businesses. There are many independent locally owned businesses in Berkeley, many of them predominantly neighborhood-serving, with others serving broader regional markets. Berkeley also has corporate-owned chain stores. The fact that chains have not come to dominate has contributed to the vitality of Berkeley's commercial areas. The Plan contains policies to support local ownership and neighborhood commercial districts.

Promote a Strong Industrial Base and Living-Wage Jobs. Living-wage jobs for Berkeley residents are important for maintaining stable neighborhoods and quality of life in the city. The Plan supports continued implementation of the West Berkeley Plan with its emphasis on protecting industry. It also supports employment and training programs to increase access to local jobs by Berkeley residents.

<u>Goal #3: Protect local and regional environmental quality:</u> Without a healthy environment, the high quality of life in Berkeley will be degraded for present inhabitants and future generations. This Plan emphasizes the protection of the environment, both locally and regionally. It addresses City programs and actions, the importance of regional solutions, and the importance of the actions of the individual in day-to-day decisions on the health of the environment.

Reduce the Waste Stream Generated from Berkeley. Berkeley was a pioneer community in the area of recycling. Plan policies continue to support recycling of as much of the solid waste generated by residents and businesses as possible. The Plan also includes policies to regulate hazardous materials and reduce hazardous waste.

Restore Creeks and Plant Trees. Berkeley has a network of creeks, many of them in culverts and not visible. The Plan encourages the daylighting of creeks. Berkeley has been adding trees in recent years and the Plan calls for maintaining street trees and for planting additional trees.

Improve Air Quality and Conserve Resources. Air quality in the Bay Area is threatened by increased emissions from motor vehicle use and other sources. The City Council recently the Resource Conservation and Global Warming Abatement Plan. Many policies from that plan are incorporated into the General Plan. The Plan's Transportation Element contains policies to reduce automobile use and the Land Use Element encourages housing development along transit corridors to reduce the need for automobiles.

Goal #4: Maximize and improve citizen participation in municipal decision-making: The high level of citizen participation is another important and distinctive characteristic of Berkeley. Several hundred citizens serve on boards and commissions and help to formulate policy and advise the City Council. There are many active neighborhood associations, merchant groups, and advocacy groups.

Improve Notification and the Dissemination of Information. Citizen complaints about inadequate notification about public meetings are common, and access to relevant information and reports can be difficult. The Plan contains policies to improve notification and to take advantage of recent technological changes that can make important information broadly available to the public.

Improve Citizen Participation. Citizens should be actively involved in making decisions about anything that will have an impact on them and their families and neighborhoods. The Plan mandates maximum citizen involvement in all public planning and decision-making processes. The Plan stresses the important role of neighborhoods and neighborhood groups in land use decisions.

Improve the Responsiveness of City Administration and Staff. Plan policies call for staff training and citizen involvement in evaluating the performance of the City's administrative units.

Goal #5: Create a Sustainable Berkeley: The Berkeley General Plan is committed to the challenge of creating and maintaining a truly sustainable community—locally, regionally, and globally. A sustainable community is one that meets its existing needs without compromising the ability of future generations to meet their own needs. The General Plan also recognizes that sustainability must be an organizing principle for all Berkeley actions and programs and that we must always consider the interdependent goals of protecting the environment, promoting social equity, and achieving a healthy economy.

Protect the Environment. The Plan is committed to protecting the environment through appropriate environmental management actions and programs as described above in Goal #3, but also through actions and programs such as improvement of the regional and local public transportation system and development of multi-family, affordable housing on transit corridors and near job centers such as the Downtown and the University of California.

Promote Social Equity. The Plan is committed to ensuring that all members of the community benefit from Berkeley's natural setting, high quality of life,

economic opportunities, and unique neighborhoods. The Plan's housing, transportation, economic development, and citizen participation objectives and policies are designed to ensure that all economic groups benefit from equal opportunities, services, and participation in government.

Achieve a Healthy Economy. The Plan is committed to ensuring that the Berkeley economy is sustainable, closely linked to the needs of Berkeley citizens, and sensitive to the environment. The Plan includes policies to support local businesses, encourage and when possible require local hiring, improve job placement and retraining services, and support green businesses.

Goal #6: Make Berkeley a disaster-resistant community that can survive, recover from, and thrive after a disaster: While there are many advantages to Berkeley's physical location, there are also disadvantages. Earthquakes, fires, landslides, floods, and hazardous materials releases are primary hazards confronting the Berkeley community. There is also new recognition of the additional threat from human-caused disasters. The city's healthy environment with its unique character and quality of life based on cultural, social, and economic diversity could be dramatically and enduringly altered by a serious hazard event. Berkeley must protect what we already have as well

as what we build through employing sound development practices and building and planning code enforcement, and continuously working to reduce the vulnerability of existing buildings and infrastructure, to improve emergency response, and to prepare for recovery.

Identify and Reduce Vulnerabilities. Berkeley must build on its work that has made it a nationally recognized leader in mitigating risks. Since the community is urbanized and densely populated with an aging building stock, the Plan recognizes the challenge to improve the safety of the built environment and calls for a variety of systematic, ongoing, and incremental actions based on sound analysis of hazardous conditions and economically realistic interventions and incentives.

Improve Emergency Response and Preparation. Because some hazard events such as earthquakes cannot be prevented, the community must be prepared to respond quickly and effectively to such events. The Plan contains policies to ensure that emergency response and recovery plans are comprehensive, current, and coordinated with other agencies and jurisdictions. The Plan also stresses the crucial role the City must play in educating and preparing residential, business, and special needs communities.

Utilize Disaster-Resistant Land Use Planning. Berkeley continues to undergo substantial new development as well as redevelopment and reuse of existing facilities. The Plan highlights the need and the opportunity to ensure that new construction reduces rather than increases risk. Policies call for improving the identification of the locations of hazards through the designation of flood, landslide, or earthquake zones, improving awareness of their presence and consequences, and adopting and enforcing regulations to minimize the exposure to such risks.

Goal #7: Maintain Berkeley′s infrastructure, including streets, sidewalks, buildings, and facilities; storm drains and sanitary sewers; and open space, parks, pathways, and recreation facilities: Maintain City Infrastructure, Parks, and other Public Assets. To preserve both the physical character and livability of the city, the City must adequately maintain its streets, sidewalks, pathways, parks, and sewers. The General Plan contains policies to do so. The Plan also calls for the expansion of open space and recreational resources to meet the needs of all segments of the community.

Conclusion

Given the significance of the current RHNA housing allocation the City of Berkeley is required to plan for in its update of the Housing Element, the short timelines, and the great importance both the State and City place on meaningful, robust, equitable, and inclusive process, there is no question that the City of Berkeley must act quickly to identify funds and hire consultants. While this item suggests an initial allocation of $500,000, it is anticipated that the full cost of consultants may be higher. Given timelines, the City may wish to hire a team of firms with broad areas of expertise, including CEQA, to accomplish the significant planning and participatory tasks before us.

ACTIONS/ALTERNATIVES CONSIDERED
Berkeley is required by California law to participate in the RHNA process, and robust community process is a State and local requirement.

RATIONALE FOR RECOMMENDATION
Berkeley must take the steps necessary to ensure the mandated, community-driven processes for updating our housing element and meeting RHNA deadlines occur in a timely manner. The time-frame for taking up this work is limited by the need to submit proposed housing element updates to the State HCD by January of 2023. Because the requirements and implications of this planning process are significant, it is imperative that Berkeley begin the process as quickly as possible, with the aid of experienced, culturally competent consultants with the full range of expertise, and with the capacity to undertake broad and intensive planning and community processes on a short timeline.

IMPLEMENTATION, ADMINISTRATION AND ENFORCEMENT
This is a State-mandated planning process for which significant staff time will likely be necessary. The hiring of consultants to lead the process with Staff is necessary to ensure that both the community and City staff have the support, expertise and capacity necessary to complete the planning process under a short timeline.

ENVIRONMENTAL SUSTAINABILITY
Undertaking a planning process has no significant environmental impacts.

FISCAL IMPACTS
The cost of undertaking robust and compliant city-wide housing element planning must be determined by the City Manager, and resources found to support the necessary work. It is likely that $500,000 will not be sufficient to meet all planning needs, and the City Manager's input is appreciated to ensure adequate funds are identified. Grants may be available from ABAG and other sources, and should be pursued in full, once the scope of work and estimated costs have been determined.

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OUTCOMES AND EVALUATION
The most fundamental outcome will be to complete the proposed housing element update for submission to the State of California in a timely manner. Additional outcomes that must be achieved and should be evaluated include the quality, cultural competency, and reach of community consultation. Consultants and City staff should ensure meaningful, accessible, and culturally appropriate real-time opportunities for feedback and evaluation are included in all their processes.

CONTACT INFORMATION
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Councilmember Kate Harrison, kharrison@cityofberkeley.info, 510-981-7140

Attachment:
1. Association of Bay Area Governments, REGIONAL HOUSING NEEDS ALLOCATION DRAFT METHODOLOGY: San Francisco Bay Area, 2023-2031, February 2021

RHNA

February 2021

REGIONAL HOUSING NEEDS ALLOCATION DRAFT METHODOLOGY:
San Francisco Bay Area, 2023-2031

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Jeffrey Levin
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* *The City and County of San Francisco did not appoint an elected official representative*

+ *Both served on HMC, Selander replaced Abrams*
‡ *Both served on HMC, Pappas replaced Ikezoe*

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INTRODUCTION

Since 1969, the State of California has required each local government to plan for its share of the state's housing needs for people of all income levels. Through the Regional Housing Needs Allocation (RHNA) process, every local jurisdiction is assigned a number of housing units representing its share of the state's housing needs for an eight-year period. State Housing Element Law requires the Association of Bay Area Governments (ABAG) to develop a methodology for distributing the Bay Area's portion of the state housing needs to local governments within the nine-county region, including reporting on the draft methodology. This report contains the data and assumptions involved in developing the draft methodology, and it also explains how the draft methodology takes into account key statutory factors and meets five key objectives as outlined in Housing Element Law.[1]

Moving from the Proposed RHNA Methodology to the Draft RHNA Methodology

The ABAG Executive Board approved the release of the proposed RHNA methodology for public comment on October 15, 2020. As required by law, ABAG held a public comment period from October 25 to November 27 and conducted a public hearing at the November 12 meeting of the ABAG Regional Planning Committee. These comments provided perspectives from over 200 local government staff and elected officials, advocacy organizations, and members of the public. A summary of the public comments received and staff responses is available on the ABAG website.

The components of the draft RHNA methodology are primarily the same as the proposed RHNA methodology. However, the draft RHNA methodology incorporates future year 2050 households data from the Plan Bay Area 2050 Final Blueprint. Integrating the updated data about future year 2050 households from the Final Blueprint into the draft RHNA methodology results in changes to the illustrative allocations to local jurisdictions, described in more detail in this report. Additionally, in response to feedback received during the public comment period, the ABAG Regional Planning Committee and Executive Board voted to incorporate the "equity adjustment" (described in more detail on page 17) as part of the Draft RHNA Methodology approved in January 2021.

ABOUT THE REGIONAL HOUSING NEEDS ALLOCATION

The RHNA process identifies the total number of housing units, separated into four affordability levels, that every local government in the Bay Area must plan to accommodate for the period from 2023 to 2031.[2] The primary role of the RHNA methodology is to encourage a pattern of housing growth for the Bay Area that meets the needs of all residents.

Once it receives its allocation, each local government must update the Housing Element of its General Plan and its zoning to show how it plans to accommodate its RHNA units and meet the housing needs in its community. It is in the community's Housing Element that local governments make decisions about where future housing units could be located and the policies and strategies for addressing specific housing needs within a given jurisdiction, such as addressing homelessness, meeting the needs of specific populations, affirmatively furthering fair housing, or minimizing displacement.[3]

Who is Responsible for RHNA?

Responsibility for completing RHNA is shared among state, regional and local governments:

- The **role of the State** is to identify the total number of homes for which each region in California must plan in order to meet the housing needs of people across the full spectrum of income levels, from housing for

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very low-income households all the way to market-rate housing. This is developed by the California Department of Housing and Community Development (HCD) and is known as the Regional Housing Needs Determination (RHND).

- The **role of the region** is to allocate a share of the RHND to each local government in the region. As the Council of Governments (COG) for the nine-county Bay Area, ABAG is required to develop the methodology for sharing the RHND among all cities, towns and counties in the region. ABAG developed the draft methodology in conjunction with a committee of elected officials, city and county staff, and stakeholders called the Housing Methodology Committee (HMC).

- The **role of local governments** is to participate in the development of the allocation methodology and to update their Housing Elements to show how they will accommodate their share of the RHND, following the adoption of the final RHNA allocations. The Housing Element must include an inventory of sites that have been zoned for sufficient capacity to accommodate the jurisdiction's RHNA allocation for each income category.

The Regional Housing Needs Determination[4]

In consultation with ABAG, HCD determined that the Bay Area must plan for 441,176 new housing units from 2023 to 2031. This determination is based on population projections produced by the California Department of Finance (see Appendix 1 for the letter ABAG received from HCD). Details of the RHND by income category

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SCHEDULE AND PROCESS FOR DEVELOPING RHNA

In October 2019, ABAG convened the Housing Methodology Committee (HMC), comprised of local elected officials, jurisdiction staff, and other stakeholders from throughout the region, to advise ABAG on developing the RHNA methodology. Between October 2019 and September 2020, the committee met 12 times to deliberate about how best to allocate the region's housing need to jurisdictions.

Major Milestones in the RHNA Process

- **On June 9, 2020,** HCD provided ABAG with its determination of total regional housing needs. HCD indicated that Bay Area jurisdictions must plan for 441,176 units between 2023–2031

- **On October 15, 2020,** the ABAG Executive Board approved the proposed methodology and draft subregion shares.

- **October 25 – November 27, 2020:** Public comment period on proposed methodology

- **January 2021:** final subregion shares and draft methodology approved; draft methodology to HCD for review

- **Spring 2021:** Release of final methodology and draft allocation

- **Summer/Fall 2021:** RHNA appeals and hearing

- **December 2021:** final RHNA allocation and Executive Board approval

2023 – 2031 RHNA Development Timeline

10/2019 to 9/2020
ABAG Housing Methodology Committee (HMC) Monthly Meetings

2/2020
Subregions Form

9/2020
Final HMC Meeting

10/2020 to 11/2020
Public Comment Methodology

1/2021
Final Subregion Shares

1/2021
Draft RHNA Methodology to HCD for Review

12/2021
Final RHNA Allocation and ABAG Executive Board Approval

2019
OCT.
NOV.
DEC.
2020
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.
NOV.
DEC.
2021
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.
NOV.
DEC.
2022
· · ·
2023

10/2019
Methodology Development Begins

6/2020
HCD Regional Housing Need Determination

10/2020
Proposed RHNA Methodology + Draft Subregion Shares

Spring 2021
Final RHNA Methodology + Draft Allocation

Summer/Fall 2021
RHNA Appeals

January 2023
Housing Element Due Date

are shown in Table 1 . This determination is based on population projections produced by the California Department of Finance and the application of specific adjustments to determine the total amount of housing needs for the region. The adjustments are a result of recent legislation that sought to incorporate an estimate of existing housing need by requiring HCD to apply factors related to a target vacancy rate, the rate of overcrowding, and the share of cost-burdened households.[5] The new laws governing the methodology for how HCD calculates the RHND resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous RHNA cycles.

Table 1: **ABAG Regional Housing Needs Determination from HCD**

INCOME CATEGORY	PERCENT	HOUSING UNIT NEED
Very Low*	**25.9%**	**114,442**
Low	**14.9%**	**65,892**
Moderate	**16.5%**	**72,712**
Above Moderate	**42.6%**	**188,130**
TOTAL	100%	441,176

* Extremely Low	15.5%	Included in "Very Low" Income Category

THE DRAFT RHNA METHODOLOGY

As noted previously, the purpose of the RHNA methodology is to divide the RHND among Bay Area jurisdictions. The methodology is a formula that calculates the number of housing units assigned to each city and county, and the formula also distributes each jurisdiction's housing unit allocation among four affordability levels.

Housing Methodology Committee

As it has for the past several RHNA cycles, ABAG convened a Housing Methodology Committee (HMC) to guide development of the methodology used to allocate a share of the region's total housing need to every local government in the Bay Area. ABAG's HMC approach stands out compared to most other large Councils of Governments, going beyond the legal requirements to facilitate dialogue and information-sharing among local government representatives and stakeholders from across the Bay Area with crucial expertise to address the region's housing challenges. As ABAG strives to advance equity and affirmatively further fair housing, the agency sought to ensure a breadth of voices in the methodology process. The HMC held 12 meetings starting in October 2019 to formulate a recommended RHNA methodology. Information about the topics discussed at the meetings is available on the ABAG website.

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RHNA Statutory Objectives and Factors

Development of the RHNA methodology was guided by the statutory requirements that the RHNA meet five objectives[6] and be consistent with the forecasted development pattern from Plan Bay Area 2050.[7] The five statutory objectives of RHNA can be summarized as:

1. **Increase housing supply and mix of housing types**, tenure and affordability in all cities and counties in an equitable manner

2. **Promote infill development and socioeconomic equity**, protect environmental and agricultural resources, encourage efficient development patterns and achieve greenhouse gas emissions reduction targets

3. **Promote improved intraregional jobs-housing relationship**, including balance between low-wage jobs and affordable housing

4. **Balance disproportionate household income distributions** (more high-income RHNA to lower-income areas and vice-versa)

5. **Affirmatively further fair housing**

Since the last RHNA cycle (2015 to 2023), the State has made several changes to the laws that govern the RHNA process, including modifications to the objectives that the RHNA allocation must meet. Changes include highlighting the importance of specifically addressing the balance between low-wage jobs and homes affordable to low-wage workers (known as jobs-housing fit) when looking

at improving the jobs-housing relationship as part of Objective 3 as well as considering achievement of the region's greenhouse gas emissions reduction target when promoting infill development and socioeconomic equity as part of Objective 2. However, the most notable addition is Objective 5, the new requirement to "affirmatively further fair housing," which focuses on overcoming patterns of segregation and fostering inclusive communities.[8] This new requirement applies to RHNA as well as local government Housing Element updates. While RHNA has always focused on increasing access to housing for all, the new statutory requirements make this commitment to fair housing a more explicit aspect of the RHNA process and Housing Element updates.

In addition to meeting the objectives outlined above, State Housing Element Law requires ABAG to consider a specific set of factors in the development of the RHNA methodology. The law also requires ABAG to survey its

member jurisdictions to gather information on the factors that must be considered for inclusion in the methodology.[9] As part of the new requirement related to affirmatively furthering fair housing, ABAG included questions in the survey about local governments' issues, strategies and actions related to achieving fair housing goals.

As a complement to these survey questions, ABAG staff also reviewed the fair housing reports that jurisdictions submit to the federal government if they receive block grant funding from the U.S. Department of Housing and Urban Development. ABAG opened an online survey to all jurisdictions in the region from January-February 2020 and received 72 responses, a response rate of 66 percent.[10] ABAG staff reviewed the survey responses as well as other relevant data to inform the development of a methodology that achieves the objectives outlined in state statute.

Housing Element Law also identifies several criteria that *cannot* be used as the basis for a determination of a jurisdiction's share of the regional housing need. These include:

1. Any ordinance, policy, voter-approved measure or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

2. Prior underproduction of housing in a city or county from the previous regional housing need allocation.

3. Stable population numbers in a city or county from the previous regional housing needs cycle.

Michele Stone, MTC

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More information about how the draft RHNA methodology furthers the objectives and addresses the methodology factors in Housing Element Law is provided in the RHNA Statutory Objectives and Factors section.

Draft RHNA Methodology Performance Evaluation

As noted previously, Housing Element Law requires that the RHNA methodology meet five statutory objectives and that it be consistent with the forecasted development pattern from Plan Bay Area 2050. Working with the HMC, ABAG-MTC staff developed a set of performance

evaluation metrics that provide feedback about how well methodology options addressed the five statutory objectives for RHNA and furthered regional planning goals.

Each metric corresponds to one of the five RHNA statutory objectives and the metrics selected were primarily based on the analysis conducted by HCD in evaluating the RHNA methodologies completed by other regions in California.[11] **Appendix 2** describes the evaluation metrics in more detail and demonstrates that the draft RHNA methodology performs well in advancing the five statutory objectives of RHNA.

ABAG-MTC staff also developed a framework for evaluating consistency between RHNA and Plan Bay Area 2050. This approach compares the 8-year RHNA allocations to the 35-year housing growth from Plan Bay Area 2050 at the county and sub-county geographies used in the plan. If the 8-year growth level from RHNA does not exceed the 35-year housing growth level at either of these geographic levels, then RHNA and Plan Bay Area 2050 will be determined to be consistent. Staff evaluated the draft RHNA methodology using this approach and determined that the RHNA allocation is consistent with Plan Bay Area.[12]

The Draft RHNA Methodology

The components of the draft RHNA methodology are primarily the same as the proposed RHNA methodology (see Figure 1 on page 13). A key change is that the draft RHNA methodology incorporates future year 2050 households data from the Plan Bay Area 2050 Final

Blueprint, while the proposed RHNA methodology reflected data from the Draft Blueprint. Including the Final Blueprint data in the draft RHNA methodology affects the illustrative allocations to local jurisdictions.

Whereas the Plan Bay Area 2050 Draft Blueprint featured 25 strategies that influenced the location of future growth, the Final Blueprint features 35 revised strategies adopted by the ABAG Executive Board and Metropolitan Transportation Commission in fall 2020. These strategies shift the regional growth pattern, with more household growth directed to transit-rich, high resource places to

support Plan Bay Area 2050 in meeting the statutory greenhouse gas reduction target. Additionally, the Final Blueprint features updated local land use data based on consultation with local jurisdictions in summer/fall 2020.

A second change in the draft RHNA methodology is the incorporation of the "equity adjustment" proposed by some HMC members that would increase the allocations of lower-income units for some jurisdictions identified as having racial and socioeconomic demographics that differ from the regional average. The equity adjustment is described in more detail on page 17.

Figure 1: **Draft Methodology Overview**

STEP 1: *Group RHND by income*

STEP 2: *Factor weight = units allocated by factor*

STEP 3: *Calculate jurisdiction's units from each factor*

Total Regional Housing Need Determination (RHND) from HCD **441,176**

| VERY LOW 114,442 | LOW 65,892 | | MODERATE 72,712 | ABOVE MODERATE 188,130 |

Allocation Factors for Very Low- and Low-Income Units | Allocation Factors for Moderate- and Above Moderate-Income Units

70% Access to High Opportunity Areas (AHOAs) — 126,234
15% Job Proximity – Auto (JPA) — 27,050
15% Job Proximity – Transit (JPT) — 27,050
40% Access to High Opportunity Areas (AHOAs) — 104,337
60% Job Proximity – Auto (JPA) — 156,505

Jurisdiction score on AHOAs factor | Jurisdiction score on JPA factor | Jurisdiction score on JPT factor | Jurisdiction score on AHOAs factor | Jurisdiction score on JPA factor

JURISDICTION BASELINE ALLOCATION
Share of households in Year 2050 from Plan Bay Area 2050 Final Blueprint

Allocation of VERY LOW and LOW Units + Allocation of MODERATE and ABOVE MODERATE Units

Equity Adjustment redistributes lower-income units to ensure all 49 jurisdictions identified as exhibiting above average racial and economic exclusion receive an allocation of lower-income units that is at least proportional to its share of households in 2020

TOTAL JURISDICTION ALLOCATION

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1. Baseline allocation: 2050 Households (Blueprint)

The baseline allocation is used to assign each jurisdiction a beginning share of the RHND. The baseline allocation is based on each jurisdiction's share of the region's total households in the year 2050 from the Plan Bay Area 2050 Final Blueprint.[13] Using the 2050 Households (Blueprint) baseline takes into consideration the number of households that are currently living in a jurisdiction as well as the number of households expected to be added over the next several decades. The HMC preferred using 2050 Households (Blueprint) as the baseline because it provides a middle ground between using a baseline based on the current number of households and a baseline based on forecasted housing growth from the Blueprint.

2. Factors and weights for allocating units by income category

Table 2 below shows the factors and weights selected for the draft RHNA methodology. The methodology includes one set of factors and weights for allocating very low- and low-income units and a second set of factors and weights for allocating moderate- and above-moderate units. The number of units allocated to each jurisdiction using these two formulas are added together to determine that jurisdiction's total allocation.

Table 2: **Factors & Weights for Draft RHNA Methodology**

VERY LOW AND LOW UNITS		MODERATE AND ABOVE MODERATE UNITS	
70%	Access to High Opportunity Areas	40%	Access to High Opportunity Areas
15%	Job Proximity – Auto	60%	Job Proximity – Auto
15%	Job Proximity – Transit		

HAMILTON PARK
CITY OF MENLO PARK

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Table 3: **Allocation Factor Data and Assumptions**

ACCESS TO HIGH OPPORTUNITY AREAS	
Overview	The Access to High Opportunity Areas factor received the most consistent support from the HMC throughout the methodology development process. This factor allocates more housing units to jurisdictions with a higher percentage of households living in areas labelled High Resource or Highest Resource on the 2020 Opportunity Map produced by HCD and the California Tax Credit Allocation Committee (TCAC).[14] The Opportunity Map stems from HCD's policy goals to avoid further segregation and concentration of poverty and to encourage access to opportunity through affordable housing programs. The map uses publicly available data sources to identify areas in the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families and their children. The Access to High Opportunity Areas factor directly addresses the RHNA objective to affirmatively further fair housing by increasing access to opportunity and replacing segregated living patterns.[15] Although this factor does not explicitly incorporate racial demographics, it has the potential to expand housing opportunities for low-income households and people of color in more places where these communities have historically lacked access. Another practical strength of this factor is that HCD has consistently used the Opportunity Map to assess whether other regions' RHNA methodologies meet the objective to affirmatively further fair housing.
Impact	More housing units allocated to jurisdictions with the most access to opportunity.
Definition	The percentage of a jurisdiction's households living in census tracts labelled High Resource or Highest Resource based on opportunity index scores.
Data Source	HCD/TCAC 2020 Opportunity Maps Note: The original Opportunity Map methodology required that 40 percent of tracts designated as rural within each county are labelled as High or Highest Resource. However, all non-rural tracts in a region are compared to each other, not just to other tracts in the same county, and the tracts with opportunity index scores in the top 40 percent among all non-rural tracts are labelled High or Highest Resource. Staff from UC Berkeley's Othering and Belonging Institute, who prepared the opportunity index data for TCAC and HCD, issued a recalculation of the opportunity index to ABAG/MTC staff for use in the RHNA methodology. In the recalculation, all Bay Area census tracts are compared to each other, so rural areas are now compared to all other tracts in the region instead of solely to other rural tracts in the same county. This recalculation mostly affected Solano and Sonoma Counties, which had fewer tracts classified as High or Highest Resource as a result.

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Table 3: **Allocation Factor Data and Assumptions** (continued)

JOB PROXIMITY

Overview	The two factors based on job proximity (Job Proximity – Auto and Job Proximity – Transit) consider the relationship between jobs and transportation. Job Proximity – Auto is based on jobs that can be accessed from a jurisdiction by a 30-minute auto commute, while Job Proximity – Transit is based on jobs that can be accessed from a jurisdiction within a 45-minute transit commute. These factors encourage more housing in jurisdictions with easier access to the region's job centers. Additionally, these factors use a commute shed to measure job access rather than solely considering the jobs present within a jurisdiction's boundaries. Using a commute shed intends to better capture the lived experience of accessing jobs irrespective of jurisdiction boundaries. Housing and job markets extend beyond jurisdiction boundaries—in most cities, a majority of workers work outside their jurisdiction of residence, and demand for housing in a particular jurisdiction is substantially influenced by its proximity and accessibility to jobs in another community.
Impact	More housing allocated to jurisdictions with easier access to region's job centers.
Definition	• **Job Proximity – Auto:** Share of region's total jobs that can be accessed from a jurisdiction by a 30-minute auto commute during the morning peak period. Assumes single-occupant vehicle drivers who decline the use of Express Lanes. • **Job Proximity – Transit:** Share of region's total jobs that can be accessed from a jurisdiction by a 45-minute transit commute during the morning peak period. Assumes transit users can choose from all modes available to them to get between home and work.
Data Source	MTC, Travel Model One, Model Run 2015_06_002 (Source: Plan Bay Area 2040, 2017)

The weight assigned to each factor (i.e., the percentages shown in **Table 2**) represents the factor's relative importance in the overall allocation. The weight determines the share of the region's housing needs that will be assigned by that particular factor.

Each factor represents data related to the methodology's policy priorities: access to high opportunity areas and proximity to jobs. A factor's effect on a jurisdiction's allocation depends on how the jurisdiction scores on the factor relative to other jurisdictions in the region. A jurisdiction with an above-average score on a factor would get an upwards adjustment, whereas a city with a below-average score on a factor would get a downwards adjustment relative to the baseline allocation. By design, the factors are placed on the same scale so a factor can

modify the baseline in the range from 50 percent to 150 percent: Jurisdictions scoring at the top for the region will get baseline share times 1.5, while jurisdictions scoring at the bottom for the region will get baseline share times 0.5. This scaling approach helps distribute RHNA units throughout the region by ensuring that even a jurisdiction with a low score gets an allocation from each factor and placing a limit on how many units can be assigned to a jurisdiction with a high score. Table 3 (pages 15-16) provides more detail about the data and assumptions for each factor.

3. Equity Adjustment

The equity adjustment identifies 49 jurisdictions that exhibit racial and socioeconomic demographics that differ from the regional average using a composite score developed by several members of the HMC. The purpose of the equity adjustment is to ensure that each of these 49 jurisdictions receives an allocation of lower-income units that is at least proportional to its share of the region's total households in 2020. For example, if a jurisdiction had two percent of existing households, it would receive at least two percent of the very low- and low-income RHNA units.

The composite score is calculated by adding together the jurisdiction's divergence index score[16] (which measures segregation by looking at how much local racial demographics differ from the region) and the percent of the jurisdiction's households with household incomes above 120 percent of the area median income (AMI). Jurisdictions with a composite score greater than the median score for the region are included in the group of "exclusionary" jurisdictions. Accordingly, a jurisdiction

does not necessarily need to have an extremely high divergence score or percent of households above 120 percent AMI to be considered "exclusionary," as a jurisdiction's composite score only needed to be in the top half for all Bay Area jurisdictions.

The equity adjustment excludes five jurisdictions who have composite scores above the region's median, but median incomes in the bottom quartile for the region. These jurisdictions were excluded from the equity adjustment to avoid directing additional lower-income RHNA units to jurisdictions with racial demographics that are different than the rest of the region but that already have a high share of lower-income households.

The equity adjustment is the last step in the allocation methodology, and is applied after the methodology's factors and weights are used to determine a jurisdiction's allocation by income category. If the allocation of lower-income RHNA units to one of the 49 jurisdictions identified by the equity adjustment's composite score does not meet the equity adjustment's proportionality threshold, then lower-income units are redistributed from the remaining 60 jurisdictions in the region to increase that jurisdiction's

lower-income allocation until it is proportional. Each jurisdiction in this group has its allocation of lower-income units reduced in proportion to its share of the total lower-income units among the jurisdictions in the group of 60. The equity adjustment does not have any effect on moderate- and above moderate-income units.

Appendix 3 shows the calculations for the composite score used to identify the 49 jurisdictions that exhibit racial and socioeconomic demographics that differ from the regional average. It also shows the effects of the equity adjustment on each jurisdiction's allocation of lower-income units. Of the 49 jurisdictions, 31 receive allocations that meet the equity adjustment's proportionality threshold based on the draft methodology's factors and weights that emphasize access to high opportunity areas. The allocations for these 31 jurisdictions do not change as a result of the equity adjustment. The other 60 jurisdictions in the region see reductions in their lower-income allocations (and thus their total allocations) as units are shifted to the 18 jurisdictions whose allocations are increased as a result of the equity adjustment.

Table 4 (pages 20-31) shows the impact that each factor has on each jurisdiction's baseline allocation from the Plan Bay Area 2050 Final Blueprint. Determining a factor's impact starts with calculating the jurisdiction's raw score for a factor. For Access to High Opportunity Areas, the raw score is the share of households in a jurisdiction in High or Highest Resource census tracts. The raw score for job proximity is the share of the region's jobs that can be accessed from a jurisdiction in either a 30-minute auto or 45-minute transit commute. As noted previously,

a jurisdiction's raw factor score is rescaled to a range of 0.5 to 1.5. Each jurisdiction's baseline allocation is then multiplied by the scaled factor score. The final step is to adjust the scaled factor scores for all jurisdictions to ensure they sum to 100 percent.

Table 5 (pages 32-43) shows the number of units, by income category, that each jurisdiction receives as a result of each factor in the methodology. This table also shows the impact of the equity adjustment on the very low- and low-income allocations for every jurisdiction.

Appendix 4 summarizes what each jurisdiction's illustrative allocation would be by income category based on the draft RHNA methodology.

Figure 2 is maps (on pages 44-45) showing the distribution of RHNA units to Bay Area jurisdictions resulting from the draft RHNA methodology.

Table 4: **Factor Scores by Jurisdiction**

Jurisdiction	BASELINE ALLOCATION: Share of Bay Area Households in Year 2050 (A)	FACTOR: ACCESS TO HIGH OPPORTUNITY AREAS (AHOA)			
		FACTOR PREPARATION			
		RAW AHOA FACTOR SCORE	AHOA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY AHOA FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%
Alameda	1.1%	65.8%	1.2	1.3%	1.4%
Albany	0.2%	84.5%	1.3	0.3%	0.3%
American Canyon	0.2%	0.0%	0.5	0.1%	0.1%
Antioch	1.3%	0.0%	0.5	0.6%	0.7%
Atherton	0.1%	41.4%	0.9	0.1%	0.1%
Belmont	0.3%	100.0%	1.5	0.5%	0.5%
Belvedere	0.0%	100.0%	1.5	0.0%	0.1%
Benicia	0.3%	11.8%	0.6	0.2%	0.2%
Berkeley	1.7%	73.0%	1.2	2.1%	2.3%
Brentwood	0.6%	0.0%	0.5	0.3%	0.3%
Brisbane	0.4%	0.0%	0.5	0.2%	0.2%
Burlingame	0.5%	100.0%	1.5	0.8%	0.9%
Calistoga	0.1%	0.0%	0.5	0.0%	0.0%
Campbell	0.6%	65.7%	1.2	0.7%	0.7%
Clayton	0.1%	100.0%	1.5	0.2%	0.2%
Cloverdale	0.1%	0.0%	0.5	0.1%	0.1%
Colma	0.1%	0.0%	0.5	0.0%	0.0%
Concord	1.7%	11.2%	0.6	1.1%	1.1%
Corte Madera	0.1%	100.0%	1.5	0.2%	0.2%

FACTOR: JOB PROXIMITY - AUTO (JPA)				FACTOR: JOB PROXIMITY - TRANSIT (JPT)			
FACTOR PREPARATION			FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	FACTOR PREPARATION			FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%
RAW JPA FACTOR SCORE	JPA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPA FACTOR (A * B)		RAW JPT FACTOR SCORE	JPT FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPT FACTOR (A * B)	
16.46	1.0	1.1%	1.1%	2.57	0.7	0.7%	1.0%
16.53	1.0	0.2%	0.2%	5.33	0.9	0.2%	0.2%
4.49	0.6	0.1%	0.1%	-	0.5	0.1%	0.1%
1.67	0.5	0.7%	0.7%	0.05	0.5	0.6%	0.9%
21.08	1.2	0.1%	0.1%	1.83	0.6	0.0%	0.1%
19.02	1.1	0.3%	0.3%	0.75	0.6	0.2%	0.2%
3.21	0.6	0.0%	0.0%	-	0.5	0.0%	0.0%
7.35	0.7	0.2%	0.2%	0.02	0.5	0.1%	0.2%
18.03	1.1	1.8%	1.7%	7.62	1.0	1.7%	2.3%
1.29	0.5	0.3%	0.3%	-	0.5	0.3%	0.4%
26.70	1.3	0.6%	0.5%	0.11	0.5	0.2%	0.3%
21.88	1.2	0.6%	0.6%	0.77	0.6	0.3%	0.4%
0.50	0.5	0.0%	0.0%	-	0.5	0.0%	0.0%
23.85	1.2	0.7%	0.7%	3.07	0.7	0.4%	0.5%
6.18	0.7	0.1%	0.1%	0.02	0.5	0.1%	0.1%
0.40	0.5	0.1%	0.1%	-	0.5	0.1%	0.1%
25.76	1.3	0.1%	0.1%	5.50	0.9	0.0%	0.1%
6.80	0.7	1.2%	1.2%	0.38	0.5	0.9%	1.2%
7.99	0.7	0.1%	0.1%	0.73	0.6	0.1%	0.1%

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Table 4: **Factor Scores by Jurisdiction**

Jurisdiction	BASELINE ALLOCATION: Share of Bay Area Households in Year 2050 (A)	FACTOR: ACCESS TO HIGH OPPORTUNITY AREAS (AHOA)				FACTOR: JOB PROXIMITY - AUTO (JPA)				FACTOR: JOB PROXIMITY - TRANSIT (JPT)			
		FACTOR PREPARATION			FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	FACTOR PREPARATION			FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	FACTOR PREPARATION			FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%
		RAW AHOA FACTOR SCORE	AHOA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY AHOA FACTOR (A * B)		RAW JPA FACTOR SCORE	JPA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPA FACTOR (A * B)		RAW JPT FACTOR SCORE	JPT FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPT FACTOR (A * B)	
Cotati	0.1%	0.0%	0.5	0.0%	0.0%	4.45	0.6	0.1%	0.1%	0.00	0.5	0.0%	0.1%
Cupertino	0.7%	100.0%	1.5	1.1%	1.2%	27.57	1.4	1.0%	1.0%	0.87	0.6	0.4%	0.5%
Daly City	0.9%	27.3%	0.8	0.7%	0.8%	26.87	1.3	1.3%	1.2%	6.05	0.9	0.9%	1.2%
Danville	0.4%	100.0%	1.5	0.6%	0.7%	9.02	0.8	0.3%	0.3%	0.03	0.5	0.2%	0.3%
Dixon	0.1%	0.0%	0.5	0.1%	0.1%	1.70	0.6	0.1%	0.1%	-	0.5	0.1%	0.1%
Dublin	0.7%	100.0%	1.5	1.1%	1.1%	8.73	0.8	0.5%	0.5%	0.22	0.5	0.4%	0.5%
East Palo Alto	0.2%	0.0%	0.5	0.1%	0.1%	30.67	1.5	0.3%	0.3%	1.90	0.6	0.1%	0.2%
El Cerrito	0.4%	11.0%	0.6	0.2%	0.3%	14.76	1.0	0.4%	0.4%	2.91	0.7	0.3%	0.4%
Emeryville	0.5%	0.0%	0.5	0.2%	0.3%	19.60	1.1	0.5%	0.5%	13.12	1.4	0.7%	0.9%
Fairfax	0.1%	100.0%	1.5	0.1%	0.2%	3.30	0.6	0.1%	0.1%	0.29	0.5	0.1%	0.1%
Fairfield	1.2%	0.0%	0.5	0.6%	0.7%	3.66	0.6	0.7%	0.7%	0.11	0.5	0.6%	0.8%
Foster City	0.3%	100.0%	1.5	0.5%	0.5%	18.05	1.1	0.3%	0.3%	0.23	0.5	0.2%	0.2%
Fremont	2.4%	92.0%	1.4	3.5%	3.7%	12.60	0.9	2.2%	2.1%	0.52	0.5	1.3%	1.7%
Gilroy	0.5%	16.6%	0.7	0.3%	0.3%	1.29	0.5	0.2%	0.2%	0.04	0.5	0.2%	0.3%
Half Moon Bay	0.1%	0.0%	0.5	0.1%	0.1%	0.20	0.5	0.1%	0.1%	-	0.5	0.1%	0.1%
Hayward	1.6%	0.0%	0.5	0.8%	0.8%	11.69	0.9	1.4%	1.3%	0.66	0.5	0.9%	1.1%
Healdsburg	0.1%	0.0%	0.5	0.1%	0.1%	3.13	0.6	0.1%	0.1%	0.02	0.5	0.1%	0.1%
Hercules	0.3%	0.0%	0.5	0.1%	0.1%	8.49	0.8	0.2%	0.2%	0.45	0.5	0.1%	0.2%
Hillsborough	0.1%	100.0%	1.5	0.1%	0.2%	15.67	1.0	0.1%	0.1%	0.02	0.5	0.0%	0.1%

Table 4: **Factor Scores by Jurisdiction**

Jurisdiction	BASELINE ALLOCATION: Share of Bay Area Households in Year 2050 (A)	FACTOR: ACCESS TO HIGH OPPORTUNITY AREAS (AHOA)				FACTOR: JOB PROXIMITY - AUTO (JPA)				FACTOR: JOB PROXIMITY - TRANSIT (JPT)			
			FACTOR PREPARATION				FACTOR PREPARATION				FACTOR PREPARATION		
		RAW AHOA FACTOR SCORE	AHOA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY AHOA FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	RAW JPA FACTOR SCORE	JPA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPA FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	RAW JPT FACTOR SCORE	JPT FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPT FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%
Lafayette	0.4%	100.0%	1.5	0.6%	0.6%	13.39	0.9	0.3%	0.3%	0.58	0.5	0.2%	0.3%
Larkspur	0.2%	100.0%	1.5	0.3%	0.3%	6.56	0.7	0.1%	0.1%	0.66	0.5	0.1%	0.1%
Livermore	1.3%	37.3%	0.9	1.1%	1.2%	4.97	0.7	0.8%	0.8%	0.10	0.5	0.6%	0.9%
Los Altos	0.3%	100.0%	1.5	0.5%	0.5%	30.66	1.5	0.4%	0.4%	0.86	0.6	0.2%	0.2%
Los Altos Hills	0.1%	100.0%	1.5	0.1%	0.1%	29.82	1.4	0.1%	0.1%	0.00	0.5	0.0%	0.1%
Los Gatos	0.3%	100.0%	1.5	0.5%	0.5%	20.66	1.1	0.4%	0.4%	0.12	0.5	0.2%	0.2%
Martinez	0.4%	29.8%	0.8	0.3%	0.3%	8.95	0.8	0.3%	0.3%	0.15	0.5	0.2%	0.3%
Menlo Park	0.5%	84.8%	1.3	0.6%	0.7%	30.39	1.4	0.7%	0.7%	1.43	0.6	0.3%	0.4%
Mill Valley	0.2%	100.0%	1.5	0.2%	0.3%	6.63	0.7	0.1%	0.1%	0.27	0.5	0.1%	0.1%
Millbrae	0.4%	100.0%	1.5	0.5%	0.6%	26.43	1.3	0.5%	0.4%	0.81	0.6	0.2%	0.3%
Milpitas	1.3%	62.3%	1.1	1.4%	1.5%	25.69	1.3	1.6%	1.6%	2.59	0.7	0.9%	1.1%
Monte Sereno	0.0%	100.0%	1.5	0.0%	0.1%	21.40	1.2	0.0%	0.0%	0.01	0.5	0.0%	0.0%
Moraga	0.2%	100.0%	1.5	0.3%	0.3%	12.40	0.9	0.2%	0.2%	0.27	0.5	0.1%	0.1%
Morgan Hill	0.4%	0.0%	0.5	0.2%	0.2%	4.42	0.6	0.3%	0.3%	0.15	0.5	0.2%	0.3%
Mountain View	1.8%	92.5%	1.4	2.5%	2.7%	31.81	1.5	2.6%	2.5%	1.74	0.6	1.1%	1.5%
Napa	0.8%	2.8%	0.5	0.4%	0.4%	3.02	0.6	0.5%	0.4%	0.24	0.5	0.4%	0.5%
Newark	0.6%	11.4%	0.6	0.4%	0.4%	9.20	0.8	0.5%	0.5%	0.39	0.5	0.3%	0.4%
Novato	0.7%	25.2%	0.8	0.5%	0.5%	3.81	0.6	0.4%	0.4%	0.06	0.5	0.3%	0.5%
Oakland	6.3%	24.3%	0.7	4.7%	5.1%	19.81	1.1	7.1%	6.8%	7.04	1.0	6.2%	8.3%

Table 4: **Factor Scores by Jurisdiction**

Jurisdiction	BASELINE ALLOCATION: Share of Bay Area Households in Year 2050 (A)	FACTOR: ACCESS TO HIGH OPPORTUNITY AREAS (AHOA)				FACTOR: JOB PROXIMITY - AUTO (JPA)				FACTOR: JOB PROXIMITY - TRANSIT (JPT)			
		RAW AHOA FACTOR SCORE	AHOA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY AHOA FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	RAW JPA FACTOR SCORE	JPA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPA FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	RAW JPT FACTOR SCORE	JPT FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPT FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%
Oakley	0.5%	0.0%	0.5	0.2%	0.2%	1.36	0.5	0.2%	0.2%	0.00	0.5	0.2%	0.3%
Orinda	0.2%	100.0%	1.5	0.4%	0.4%	18.14	1.1	0.3%	0.2%	0.07	0.5	0.1%	0.2%
Pacifica	0.4%	100.0%	1.5	0.5%	0.6%	10.51	0.8	0.3%	0.3%	0.11	0.5	0.2%	0.2%
Palo Alto	0.9%	100.0%	1.5	1.4%	1.5%	30.66	1.5	1.4%	1.3%	0.94	0.6	0.5%	0.7%
Petaluma	0.7%	7.7%	0.6	0.4%	0.4%	3.58	0.6	0.4%	0.4%	0.05	0.5	0.4%	0.5%
Piedmont	0.1%	100.0%	1.5	0.1%	0.2%	19.88	1.1	0.1%	0.1%	4.84	0.8	0.1%	0.1%
Pinole	0.2%	0.0%	0.5	0.1%	0.1%	8.07	0.7	0.1%	0.1%	0.41	0.5	0.1%	0.1%
Pittsburg	0.8%	0.0%	0.5	0.4%	0.4%	5.05	0.7	0.5%	0.5%	0.33	0.5	0.4%	0.5%
Pleasant Hill	0.4%	63.6%	1.1	0.4%	0.4%	9.50	0.8	0.3%	0.3%	0.19	0.5	0.2%	0.3%
Pleasanton	1.1%	100.0%	1.5	1.7%	1.8%	8.21	0.8	0.9%	0.8%	0.51	0.5	0.6%	0.8%
Portola Valley	0.0%	100.0%	1.5	0.1%	0.1%	13.91	0.9	0.0%	0.0%	-	0.5	0.0%	0.0%
Redwood City	1.0%	47.3%	1.0	1.0%	1.0%	21.78	1.2	1.2%	1.1%	0.67	0.5	0.5%	0.7%
Richmond	1.2%	0.0%	0.5	0.6%	0.7%	11.67	0.9	1.1%	1.0%	0.76	0.6	0.7%	0.9%
Rio Vista	0.2%	0.0%	0.5	0.1%	0.1%	0.10	0.5	0.1%	0.1%	-	0.5	0.1%	0.1%
Rohnert Park	0.6%	0.0%	0.5	0.3%	0.3%	4.45	0.6	0.4%	0.4%	0.07	0.5	0.3%	0.4%
Ross	0.0%	100.0%	1.5	0.0%	0.0%	4.21	0.6	0.0%	0.0%	0.59	0.5	0.0%	0.0%
San Anselmo	0.2%	100.0%	1.5	0.3%	0.3%	3.55	0.6	0.1%	0.1%	0.23	0.5	0.1%	0.1%
San Bruno	0.7%	24.4%	0.7	0.5%	0.6%	25.95	1.3	1.0%	0.9%	0.80	0.6	0.4%	0.5%
San Carlos	0.5%	100.0%	1.5	0.7%	0.7%	21.43	1.2	0.5%	0.5%	1.31	0.6	0.3%	0.4%
San Francisco	14.3%	54.4%	1.0	14.9%	16.1%	31.99	1.5	21.5%	20.7%	14.56	1.5	21.5%	28.7%

Table 4: **Factor Scores by Jurisdiction**

Jurisdiction	BASELINE ALLOCATION: Share of Bay Area Households in Year 2050 (A)	FACTOR: ACCESS TO HIGH OPPORTUNITY AREAS (AHOA)				FACTOR: JOB PROXIMITY - AUTO (JPA)				FACTOR: JOB PROXIMITY - TRANSIT (JPT)			
		FACTOR PREPARATION			FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	FACTOR PREPARATION			FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	FACTOR PREPARATION			FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%
		RAW AHOA FACTOR SCORE	AHOA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY AHOA FACTOR (A * B)		RAW JPA FACTOR SCORE	JPA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPA FACTOR (A * B)		RAW JPT FACTOR SCORE	JPT FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPT FACTOR (A * B)	
San Jose	14.4%	34.7%	0.8	12.2%	13.1%	20.32	1.1	16.4%	15.8%	2.40	0.7	9.6%	12.8%
San Leandro	1.1%	0.0%	0.5	0.6%	0.6%	18.69	1.1	1.2%	1.2%	3.22	0.7	0.8%	1.1%
San Mateo	1.4%	61.1%	1.1	1.6%	1.7%	20.53	1.1	1.6%	1.6%	1.25	0.6	0.8%	1.1%
San Pablo	0.2%	0.0%	0.5	0.1%	0.1%	12.43	0.9	0.2%	0.2%	1.30	0.6	0.1%	0.2%
San Rafael	1.0%	21.1%	0.7	0.7%	0.8%	4.97	0.7	0.7%	0.7%	0.02	0.5	0.5%	0.7%
San Ramon	1.0%	100.0%	1.5	1.5%	1.6%	8.18	0.8	0.7%	0.7%	0.16	0.5	0.5%	0.7%
Santa Clara	2.1%	63.9%	1.1	2.4%	2.6%	27.44	1.4	2.9%	2.8%	3.49	0.7	1.6%	2.1%
Santa Rosa	1.7%	6.7%	0.6	1.0%	1.1%	4.17	0.6	1.1%	1.1%	0.42	0.5	0.9%	1.2%
Saratoga	0.3%	100.0%	1.5	0.4%	0.5%	23.69	1.2	0.3%	0.3%	0.19	0.5	0.1%	0.2%
Sausalito	0.1%	100.0%	1.5	0.2%	0.2%	17.73	1.1	0.1%	0.1%	0.68	0.5	0.1%	0.1%
Sebastopol	0.1%	0.0%	0.5	0.0%	0.0%	3.67	0.6	0.1%	0.1%	0.00	0.5	0.0%	0.1%
Sonoma	0.1%	0.0%	0.5	0.1%	0.1%	0.84	0.5	0.1%	0.1%	-	0.5	0.1%	0.1%
South San Francisco	0.9%	20.8%	0.7	0.7%	0.7%	26.06	1.3	1.2%	1.2%	1.08	0.6	0.5%	0.7%
St. Helena	0.1%	0.0%	0.5	0.0%	0.0%	1.08	0.5	0.0%	0.0%	-	0.5	0.0%	0.0%
Suisun City	0.2%	0.0%	0.5	0.1%	0.1%	3.69	0.6	0.2%	0.1%	0.22	0.5	0.1%	0.2%
Sunnyvale	2.1%	70.2%	1.2	2.5%	2.7%	29.36	1.4	3.0%	2.9%	2.22	0.7	1.4%	1.8%
Tiburon	0.1%	100.0%	1.5	0.2%	0.2%	4.76	0.6	0.1%	0.1%	0.03	0.5	0.1%	0.1%
Unincorporated Alameda	1.4%	27.9%	0.8	1.1%	1.2%	6.43	0.7	1.0%	1.0%	0.02	0.5	0.7%	1.0%
Unincorporated Contra Costa	2.2%	35.9%	0.9	1.9%	2.0%	5.60	0.7	1.5%	1.4%	0.01	0.5	1.1%	1.5%
Unincorporated Marin	0.8%	76.1%	1.3	1.0%	1.1%	1.39	0.5	0.4%	0.4%	0.02	0.5	0.4%	0.6%

Table 4: **Factor Scores by Jurisdiction**

Jurisdiction	BASELINE ALLOCATION: Share of Bay Area Households in Year 2050 (A)	FACTOR: ACCESS TO HIGH OPPORTUNITY AREAS (AHOA) RAW AHOA FACTOR SCORE	AHOA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY AHOA FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	FACTOR: JOB PROXIMITY - AUTO (JPA) RAW JPA FACTOR SCORE	JPA FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPA FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%	FACTOR: JOB PROXIMITY - TRANSIT (JPT) RAW JPT FACTOR SCORE	JPT FACTOR SCORE RESCALED TO 0.5-1.5 RANGE (B)	BASELINE ADJUSTED BY JPT FACTOR (A * B)	FACTOR DISTRIBUTION: ADJUSTED BASELINE RESCALED TO 100%
Unincorporated Napa	0.3%	13.2%	0.6	0.2%	0.2%	1.88	0.6	0.2%	0.1%	0.00	0.5	0.1%	0.2%
Unincorporated San Mateo	0.8%	44.7%	0.9	0.8%	0.8%	2.24	0.6	0.5%	0.4%	0.04	0.5	0.4%	0.5%
Unincorporated Santa Clara	0.8%	42.0%	0.9	0.7%	0.8%	9.50	0.8	0.6%	0.6%	0.07	0.5	0.4%	0.5%
Unincorporated Solano	0.4%	0.0%	0.5	0.2%	0.2%	1.94	0.6	0.2%	0.2%	0.02	0.5	0.2%	0.3%
Unincorporated Sonoma	1.5%	5.9%	0.6	0.9%	0.9%	1.75	0.6	0.8%	0.8%	0.01	0.5	0.8%	1.0%
Union City	0.7%	12.6%	0.6	0.5%	0.5%	9.14	0.8	0.6%	0.5%	1.09	0.6	0.4%	0.6%
Vacaville	0.8%	0.0%	0.5	0.4%	0.4%	2.18	0.6	0.4%	0.4%	0.15	0.5	0.4%	0.5%
Vallejo	1.1%	0.0%	0.5	0.6%	0.6%	6.28	0.7	0.8%	0.7%	0.15	0.5	0.6%	0.8%
Walnut Creek	1.1%	92.2%	1.4	1.6%	1.8%	9.19	0.8	0.9%	0.9%	0.39	0.5	0.6%	0.8%
Windsor	0.3%	0.0%	0.5	0.1%	0.1%	3.76	0.6	0.2%	0.2%	-	0.5	0.1%	0.2%
Woodside	0.1%	98.1%	1.5	0.1%	0.1%	17.35	1.0	0.1%	0.1%	0.04	0.5	0.0%	0.0%
Yountville	0.0%	0.0%	0.5	0.0%	0.0%	1.82	0.6	0.0%	0.0%	0.08	0.5	0.0%	0.0%
REGION TOTAL				92.87%	100%			103.62%	100%			74.79%	100%

Table 5: **RHNA Allocation by Jurisdiction, with Factor Components**

	FACTOR DISTRIBUTIONS (Each sums to 100%)			VERY LOW INCOME					LOW INCOME					MODERATE INCOME			ABOVE MODERATE INCOME			
Factor	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUST-MENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	TOTAL
Factor Weight				70%	15%	15%	100%		70%	15%	15%	100%		40%	60%	100%	40%	60%	100%	
Jurisdiction	100%	100%	100%	80,109	17,166	17,166	114,442		46,124	9,884	9,884	65,892		29,085	43,627	72,712	75,252	112,878	188,130	441,176
Alameda	1.4%	1.1%	1.0%	1,099	185	171	1,455	-34	633	106	98	837	-19	399	469	868	1,032	1,214	2,246	5,353
Albany	0.3%	0.2%	0.2%	239	35	41	315	-7	138	20	24	182	-4	87	88	175	225	228	453	1,114
American Canyon	0.1%	0.1%	0.1%	76	19	20	115	-3	44	11	12	67	-2	28	47	75	71	123	194	446
Antioch	0.7%	0.7%	0.9%	548	116	147	811	-19	315	67	85	467	-11	199	294	493	515	760	1,275	3,016
Atherton	0.1%	0.1%	0.1%	57	14	10	81	13	33	8	6	47	7	21	35	56	53	91	144	348
Belmont	0.5%	0.3%	0.2%	394	55	39	488	0	227	32	22	281	0	143	140	283	370	363	733	1,785
Belvedere	0.1%	0.0%	0.0%	42	3	4	49	0	24	2	2	28	0	15	8	23	39	21	60	160
Benicia	0.2%	0.2%	0.2%	144	33	31	208	-5	83	19	18	120	-3	52	83	135	136	215	351	806
Berkeley	2.3%	1.7%	2.3%	1,805	299	400	2,504	-58	1,039	172	230	1,441	-33	655	761	1,416	1,696	1,968	3,664	8,934
Brentwood	0.3%	0.3%	0.4%	279	58	74	411	-9	161	33	43	237	-5	101	146	247	262	379	641	1,522
Brisbane	0.2%	0.5%	0.3%	182	93	49	324	-7	105	54	28	187	-4	66	237	303	171	614	785	1,588
Burlingame	0.9%	0.6%	0.4%	707	107	69	883	-20	407	62	40	509	-12	257	272	529	664	704	1,368	3,257
Calistoga	0.0%	0.0%	0.0%	22	4	6	32	-1	13	3	3	19	0	8	11	19	21	29	50	119
Campbell	0.7%	0.7%	0.5%	562	116	92	770	-18	324	67	53	444	-10	204	295	499	528	764	1,292	2,977
Clayton	0.2%	0.1%	0.1%	144	13	13	170	0	83	7	7	97	0	52	32	84	135	84	219	570
Cloverdale	0.1%	0.1%	0.1%	52	10	14	76	-2	30	6	8	44	-1	19	26	45	49	67	116	278
Colma	0.0%	0.1%	0.1%	23	11	11	45	-1	13	7	6	26	-1	8	29	37	21	75	96	202
Concord	1.1%	1.2%	1.2%	911	203	208	1,322	-30	525	117	120	762	-18	331	516	847	856	1,334	2,190	5,073
Corte Madera	0.2%	0.1%	0.1%	179	17	17	213	0	103	10	10	123	0	65	43	108	168	113	281	725

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Table 5: **RHNA Allocation by Jurisdiction, with Factor Components**

	FACTOR DISTRIBUTIONS (Each sums to 100%)			VERY LOW INCOME					LOW INCOME					MODERATE INCOME			ABOVE MODERATE INCOME			
Factor	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	TOTAL
Factor Weight				70%	15%	15%	100%		70%	15%	15%	100%		40%	60%	100%	40%	60%	100%	
Jurisdiction	100%	100%	100%	80,109	17,166	17,166	114,442		46,124	9,884	9,884	65,892		29,085	43,627	72,712	75,252	112,878	188,130	441,176
Cotati	0.0%	0.1%	0.1%	40	10	11	61	-1	23	6	6	35	-1	14	25	39	37	64	101	234
Cupertino	1.2%	1.0%	0.5%	937	163	93	1,193	0	539	94	54	687	0	340	415	755	880	1,073	1,953	4,588
Daly City	0.8%	1.2%	1.2%	630	210	199	1,039	297	363	121	114	598	171	229	533	762	592	1,379	1,971	4,838
Danville	0.7%	0.3%	0.3%	548	55	49	652	0	316	32	28	376	0	199	139	338	515	360	875	2,241
Dixon	0.1%	0.1%	0.1%	63	13	17	93	-2	36	8	10	54	-1	23	34	57	59	87	146	347
Dublin	1.1%	0.5%	0.5%	912	90	83	1,085	0	525	52	48	625	0	331	229	560	857	592	1,449	3,719
East Palo Alto	0.1%	0.3%	0.2%	89	50	30	169	-4	51	29	17	97	-2	32	127	159	83	327	410	829
El Cerrito	0.3%	0.4%	0.4%	213	64	65	342	-8	123	37	37	197	-5	77	164	241	200	424	624	1,391
Emeryville	0.3%	0.5%	0.9%	213	91	158	462	-11	122	52	91	265	-6	77	231	308	200	597	797	1,815
Fairfax	0.2%	0.1%	0.1%	127	10	12	149	0	73	6	7	86	0	46	25	71	120	64	184	490
Fairfield	0.7%	0.7%	0.8%	529	124	143	796	-18	304	72	82	458	-11	192	316	508	497	817	1,314	3,047
Foster City	0.5%	0.3%	0.2%	423	58	39	520	0	244	33	22	299	0	154	146	300	398	379	777	1,896
Fremont	3.7%	2.1%	1.7%	2,981	360	299	3,640	0	1,717	207	172	2,096	0	1,082	914	1,996	2,801	2,364	5,165	12,897
Gilroy	0.3%	0.2%	0.3%	265	41	53	359	310	152	24	31	207	178	96	104	200	249	270	519	1,773
Half Moon Bay	0.1%	0.1%	0.1%	64	12	17	93	88	37	7	10	54	50	23	31	54	60	81	141	480
Hayward	0.8%	1.3%	1.1%	678	225	197	1,100	-25	390	129	113	632	-15	246	571	817	637	1,478	2,115	4,624
Healdsburg	0.1%	0.1%	0.1%	52	12	14	78	112	30	7	8	45	64	19	30	49	49	79	128	476
Hercules	0.1%	0.2%	0.2%	114	33	32	179	165	66	19	19	104	94	41	85	126	107	220	327	995
Hillsborough	0.2%	0.1%	0.1%	126	16	11	153	2	73	9	6	88	1	46	41	87	118	105	223	554

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Table 5: **RHNA Allocation by Jurisdiction, with Factor Components**

	FACTOR DISTRIBUTIONS			VERY LOW INCOME					LOW INCOME					MODERATE INCOME			ABOVE MODERATE INCOME			
	(Each sums to 100%)																			
Factor	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUST-MENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	TOTAL
Factor Weight				70%	15%	15%	100%		70%	15%	15%	100%		40%	60%	100%	40%	60%	100%	
Jurisdiction	100%	100%	100%	80,109	17,166	17,166	114,442		46,124	9,884	9,884	65,892		29,085	43,627	72,712	75,252	112,878	188,130	441,176
Lafayette	0.6%	0.3%	0.3%	494	58	47	599	0	284	33	27	344	0	179	147	326	464	381	845	2,114
Larkspur	0.3%	0.1%	0.1%	245	22	24	291	0	141	13	14	168	0	89	56	145	230	145	375	979
Livermore	1.2%	0.8%	0.9%	955	137	148	1,240	77	550	79	85	714	44	347	349	696	897	902	1,799	4,570
Los Altos	0.5%	0.4%	0.2%	389	73	39	501	0	224	42	22	288	0	141	185	326	365	478	843	1,958
Los Altos Hills	0.1%	0.1%	0.1%	98	18	9	125	0	57	10	5	72	0	36	46	82	92	118	210	489
Los Gatos	0.5%	0.4%	0.2%	434	64	39	537	0	250	37	23	310	0	158	162	320	408	418	826	1,993
Martinez	0.3%	0.3%	0.3%	264	49	45	358	-8	152	28	26	206	-5	96	125	221	248	325	573	1,345
Menlo Park	0.7%	0.7%	0.4%	559	115	66	740	0	322	66	38	426	0	203	293	496	525	759	1,284	2,946
Mill Valley	0.3%	0.1%	0.1%	213	19	20	252	10	122	11	11	144	7	77	49	126	200	126	326	865
Millbrae	0.6%	0.4%	0.3%	453	77	45	575	0	261	44	26	331	0	165	196	361	426	506	932	2,199
Milpitas	1.5%	1.6%	1.1%	1,218	271	196	1,685	0	701	156	113	970	0	442	689	1,131	1,144	1,783	2,927	6,713
Monte Sereno	0.1%	0.0%	0.0%	41	6	4	51	2	24	4	2	30	0	15	16	31	39	40	79	193
Moraga	0.3%	0.2%	0.1%	264	30	24	318	0	152	17	14	183	0	96	76	172	248	197	445	1,118
Morgan Hill	0.2%	0.3%	0.3%	177	43	48	268	-6	102	25	28	155	-4	64	110	174	166	284	450	1,037
Mountain View	2.7%	2.5%	1.5%	2,155	434	249	2,838	-65	1,241	250	144	1,635	-38	782	1,103	1,885	2,025	2,855	4,880	11,135
Napa	0.4%	0.4%	0.5%	350	75	91	516	-12	202	43	53	298	-7	127	192	319	329	496	825	1,939
Newark	0.4%	0.5%	0.4%	322	79	74	475	-11	186	46	42	274	-6	117	201	318	303	521	824	1,874
Novato	0.5%	0.4%	0.5%	436	69	78	583	-13	251	40	45	336	-8	158	174	332	409	451	860	2,090
Oakland	5.1%	6.8%	8.3%	4,061	1,174	1,430	6,665	-154	2,338	676	824	3,838	-88	1,474	2,983	4,457	3,814	7,719	11,533	26,251

Table 5: **RHNA Allocation by Jurisdiction, with Factor Components**

	FACTOR DISTRIBUTIONS (Each sums to 100%)			VERY LOW INCOME					LOW INCOME					MODERATE INCOME			ABOVE MODERATE INCOME			
Factor	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	TOTAL
Factor Weight				70%	15%	15%	100%		70%	15%	15%	100%		40%	60%	100%	40%	60%	100%	
Jurisdiction	100%	100%	100%	80,109	17,166	17,166	114,442		46,124	9,884	9,884	65,892		29,085	43,627	72,712	75,252	112,878	188,130	441,176
Oakley	0.2%	0.2%	0.3%	194	40	52	286	-7	112	23	30	165	-4	70	102	172	182	264	446	1,058
Orinda	0.4%	0.2%	0.2%	304	41	27	372	0	175	24	16	215	0	110	105	215	285	272	557	1,359
Pacifica	0.6%	0.3%	0.2%	461	49	41	551	-13	265	28	24	317	-7	167	124	291	433	320	753	1,892
Palo Alto	1.5%	1.3%	0.7%	1,209	226	121	1,556	0	696	130	70	896	0	439	574	1,013	1,136	1,485	2,621	6,086
Petaluma	0.4%	0.4%	0.5%	356	72	83	511	-12	205	42	48	295	-7	129	184	313	335	475	810	1,910
Piedmont	0.2%	0.1%	0.1%	126	18	19	163	0	73	10	11	94	0	46	46	92	119	119	238	587
Pinole	0.1%	0.1%	0.1%	79	23	22	124	-3	45	13	13	71	-2	29	58	87	74	149	223	500
Pittsburg	0.4%	0.5%	0.5%	339	85	94	518	-12	195	49	54	298	-7	123	217	340	319	561	880	2,017
Pleasant Hill	0.4%	0.3%	0.3%	360	48	43	451	115	208	28	25	261	65	131	123	254	339	318	657	1,803
Pleasanton	1.8%	0.8%	0.8%	1,469	142	139	1,750	0	846	82	80	1,008	0	533	361	894	1,380	933	2,313	5,965
Portola Valley	0.1%	0.0%	0.0%	58	7	5	70	3	33	4	3	40	2	21	18	39	54	45	99	253
Redwood City	1.0%	1.1%	0.7%	826	192	123	1,141	-26	476	111	71	658	-15	300	489	789	776	1,265	2,041	4,588
Richmond	0.7%	1.0%	0.9%	529	175	156	860	-20	305	101	90	496	-11	192	446	638	497	1,154	1,651	3,614
Rio Vista	0.1%	0.1%	0.1%	89	17	24	130	-3	51	10	14	75	-2	32	44	76	84	113	197	473
Rohnert Park	0.3%	0.4%	0.4%	270	66	72	408	-9	155	38	42	235	-5	98	167	265	253	433	686	1,580
Ross	0.0%	0.0%	0.0%	28	2	3	33	1	16	1	2	19	1	10	6	16	26	15	41	111
San Anselmo	0.3%	0.1%	0.1%	216	17	20	253	0	124	10	11	145	0	78	43	121	203	111	314	833
San Bruno	0.6%	0.9%	0.5%	469	159	93	721	-17	270	91	54	415	-10	170	403	573	440	1,043	1,483	3,165
San Carlos	0.7%	0.5%	0.4%	589	88	62	739	0	339	51	35	425	0	214	224	438	553	580	1,133	2,735

Table 5: **RHNA Allocation by Jurisdiction, with Factor Components**

	FACTOR DISTRIBUTIONS (Each sums to 100%)			VERY LOW INCOME					LOW INCOME					MODERATE INCOME			ABOVE MODERATE INCOME			TOTAL
Factor	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUST-MENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	
Factor Weight				70%	15%	15%	100%		70%	15%	15%	100%		40%	60%	100%	40%	60%	100%	TOTAL
Jurisdiction	100%	100%	100%	80,109	17,166	17,166	114,442		46,124	9,884	9,884	65,892		29,085	43,627	72,712	75,252	112,878	188,130	441,176
San Francisco	16.1%	20.7%	28.7%	12,883	3,554	4,925	21,359	-492	7,418	2,046	2,836	12,294	-280	4,677	9,033	13,717	12,102	23,371	35,471	82,069
San Jose	13.1%	15.8%	12.8%	10,533	2,710	2,201	15,444	-356	6,065	1,560	1,267	8,892	-205	3,824	6,887	10,711	9,895	17,819	27,714	62,200
San Leandro	0.6%	1.2%	1.1%	490	204	188	882	-20	282	117	108	507	-12	178	518	696	461	1,341	1,802	3,855
San Mateo	1.7%	1.6%	1.1%	1,360	268	191	1,819	-42	783	154	110	1,047	-24	494	681	1,175	1,277	1,763	3,040	7,015
San Pablo	0.1%	0.2%	0.2%	107	36	34	177	-4	62	21	19	102	-2	39	93	132	101	240	341	746
San Rafael	0.8%	0.7%	0.7%	643	113	121	877	-20	370	65	69	504	-12	233	288	521	604	746	1,350	3,220
San Ramon	1.6%	0.7%	0.7%	1,261	122	114	1,497	0	726	70	66	862	0	458	309	767	1,185	800	1,985	5,111
Santa Clara	2.6%	2.8%	2.1%	2,097	480	363	2,940	-68	1,207	276	209	1,692	-39	761	1,220	1,981	1,970	3,156	5,126	11,632
Santa Rosa	1.1%	1.1%	1.2%	854	181	212	1,247	-29	492	104	122	718	-17	310	461	771	802	1,193	1,995	4,685
Saratoga	0.5%	0.3%	0.2%	363	58	33	454	0	209	33	19	261	0	132	146	278	341	378	719	1,712
Sausalito	0.2%	0.1%	0.1%	162	22	16	200	0	93	13	9	115	0	59	55	114	152	143	295	724
Sebastopol	0.0%	0.1%	0.1%	37	9	10	56	-1	21	5	6	32	-1	13	22	35	35	57	92	213
Sonoma	0.1%	0.1%	0.1%	58	12	15	85	-2	33	7	9	49	-1	21	29	50	54	76	130	311
South San Francisco	0.7%	1.2%	0.7%	568	202	122	892	-21	327	116	71	514	-12	206	514	720	533	1,330	1,863	3,956
St. Helena	0.0%	0.0%	0.0%	29	6	8	43	60	17	3	4	24	35	11	15	26	27	39	66	254
Suisun City	0.1%	0.1%	0.2%	106	25	29	160	-4	61	14	17	92	-2	38	63	101	100	164	264	611
Sunnyvale	2.7%	2.9%	1.8%	2,165	490	313	2,968	0	1,247	282	180	1,709	0	786	1,246	2,032	2,034	3,223	5,257	11,966
Tiburon	0.2%	0.1%	0.1%	164	14	15	193	0	94	8	8	110	0	59	34	93	154	89	243	639
Unincorporated Alameda	1.2%	1.0%	1.0%	954	164	163	1,281	-30	549	95	94	738	-17	346	417	763	896	1,080	1,976	4,711

ALLOCATION BUILDING BLOCKS
(Weights determine the share of each income group's units that is assigned to a factor, and the factor is used to geographically allocate those units)

Table 5: **RHNA Allocation by Jurisdiction, with Factor Components**

|	FACTOR DISTRIBUTIONS			ALLOCATION BUILDING BLOCKS (Weights determine the share of each income group's units that is assigned to a factor, and the factor is used to geographically allocate those units)																
	(Each sums to 100%)			VERY LOW INCOME					LOW INCOME					MODERATE INCOME			ABOVE MODERATE INCOME			
Factor	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	JOB PROXIMITY – TRANSIT	SUBTOTAL	EQUITY ADJUSTMENT	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	ACCESS TO HIGH OPPORTUNITY AREAS	JOB PROXIMITY – AUTO	SUBTOTAL	TOTAL
Factor Weight				70%	15%	15%	100%		70%	15%	15%	100%		40%	60%	100%	40%	60%	100%	
Jurisdiction	100%	100%	100%	80,109	17,166	17,166	114,442		46,124	9,884	9,884	65,892		29,085	43,627	72,712	75,252	112,878	188,130	441,176
Unincorporated Contra Costa	2.0%	1.4%	1.5%	1,633	245	253	2,131	-49	940	141	146	1,227	-28	593	624	1,217	1,534	1,613	3,147	7,645
Unincorporated Marin	1.1%	0.4%	0.6%	894	74	95	1,063	37	515	42	54	611	23	325	187	512	840	484	1,323	3,569
Unincorporated Napa	0.2%	0.1%	0.2%	152	26	32	210	159	88	15	18	121	92	55	65	120	143	169	312	1,014
Unincorporated San Mateo	0.8%	0.4%	0.5%	661	76	93	830	-19	381	44	54	479	-11	240	193	433	621	500	1,121	2,833
Unincorporated Santa Clara	0.8%	0.6%	0.5%	647	107	94	848	-20	372	62	54	488	-11	235	273	508	607	705	1,312	3,125
Unincorporated Solano	0.2%	0.2%	0.3%	164	35	44	243	-6	95	20	25	140	-3	60	89	149	154	231	385	908
Unincorporated Sonoma	0.9%	0.8%	1.0%	742	141	177	1,060	-24	427	81	102	610	-14	269	358	627	697	925	1,622	3,881
Union City	0.5%	0.5%	0.6%	392	94	96	582	280	226	54	55	335	161	142	240	382	368	620	988	2,728
Vacaville	0.4%	0.4%	0.5%	334	73	91	498	-11	192	42	52	286	-7	121	184	305	314	477	791	1,862
Vallejo	0.6%	0.7%	0.8%	482	128	131	741	-17	277	74	75	426	-10	175	326	501	453	844	1,297	2,938
Walnut Creek	1.8%	0.9%	0.8%	1,408	149	139	1,696	-39	810	86	80	976	-22	511	379	890	1,322	982	2,304	5,805
Windsor	0.1%	0.2%	0.2%	112	26	30	168	217	65	15	17	97	125	41	67	108	105	174	279	994
Woodside	0.1%	0.1%	0.0%	73	10	7	90	0	42	6	4	52	0	27	25	52	69	65	134	328
Yountville	0.0%	0.0%	0.0%	13	3	3	19	0	7	2	2	11	0	5	7	12	12	18	30	72
Region				80,109	17,166	17,166	114,442		46,124	9,884	9,884	65,892		29,085	43,627	72,712	75,252	112,878	188,130	441,176

Note: the jurisdiction-specific allocations shown are for illustrative purposes only (refer to Schedule and Process diagram on page 7 for additional steps in determining final allocations).

Unit numbers for each factor may not add up to the total due to rounding.

The allocation is done with floating point precision internally, but rounding is done to get whole unit counts for each income group in a jurisdiction. The rounded unit counts were adjusted in the Subtotal column to ensure they add up to the total units by income category from the regional housing needs determination (RHND). The equity adjustment was applied after this step, and the same check was performed again to ensure the resulting illustrative allocations match the RHND.

Some totals may differ +/- 2 units compared to information presented to the ABAG Executive Board in January 2021 as a result of corrections to fix rounding errors in the January materials.

Figure 2: Illustrative Allocations from Draft RHNA Methodology - With Equity Adjustment
Jurisdiction growth rate from 2020 households as a result of 2023-2031 RHNA
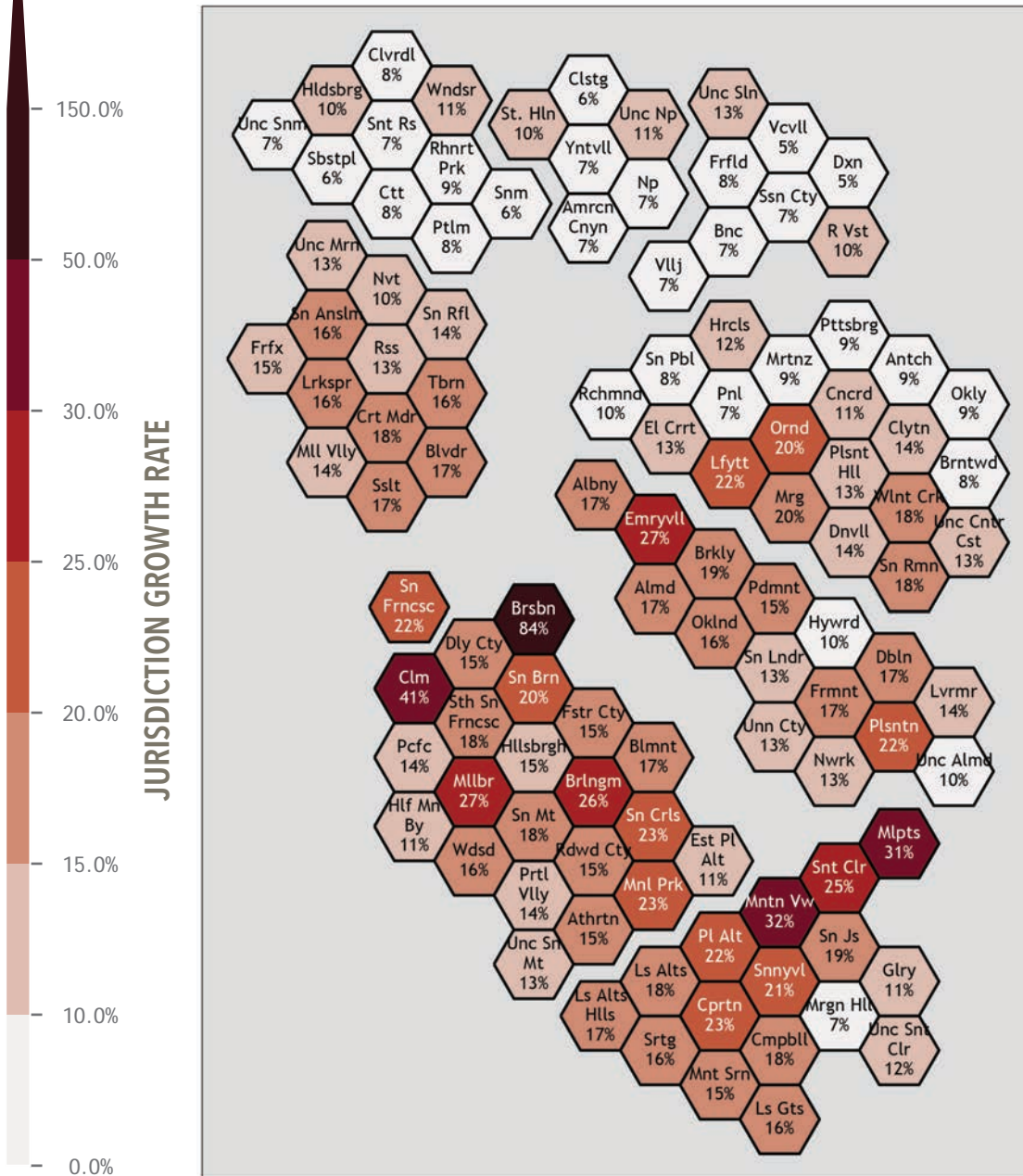
Note: the jurisdiction-specific allocations shown are for illustrative purposes only. ABAG will issue Final Allocations by the end of 2021.

Figure 2: Illustrative Allocations from Draft RHNA Methodology - With Equity Adjustment
Jurisdiction total allocation of 2023-2031 RHNA
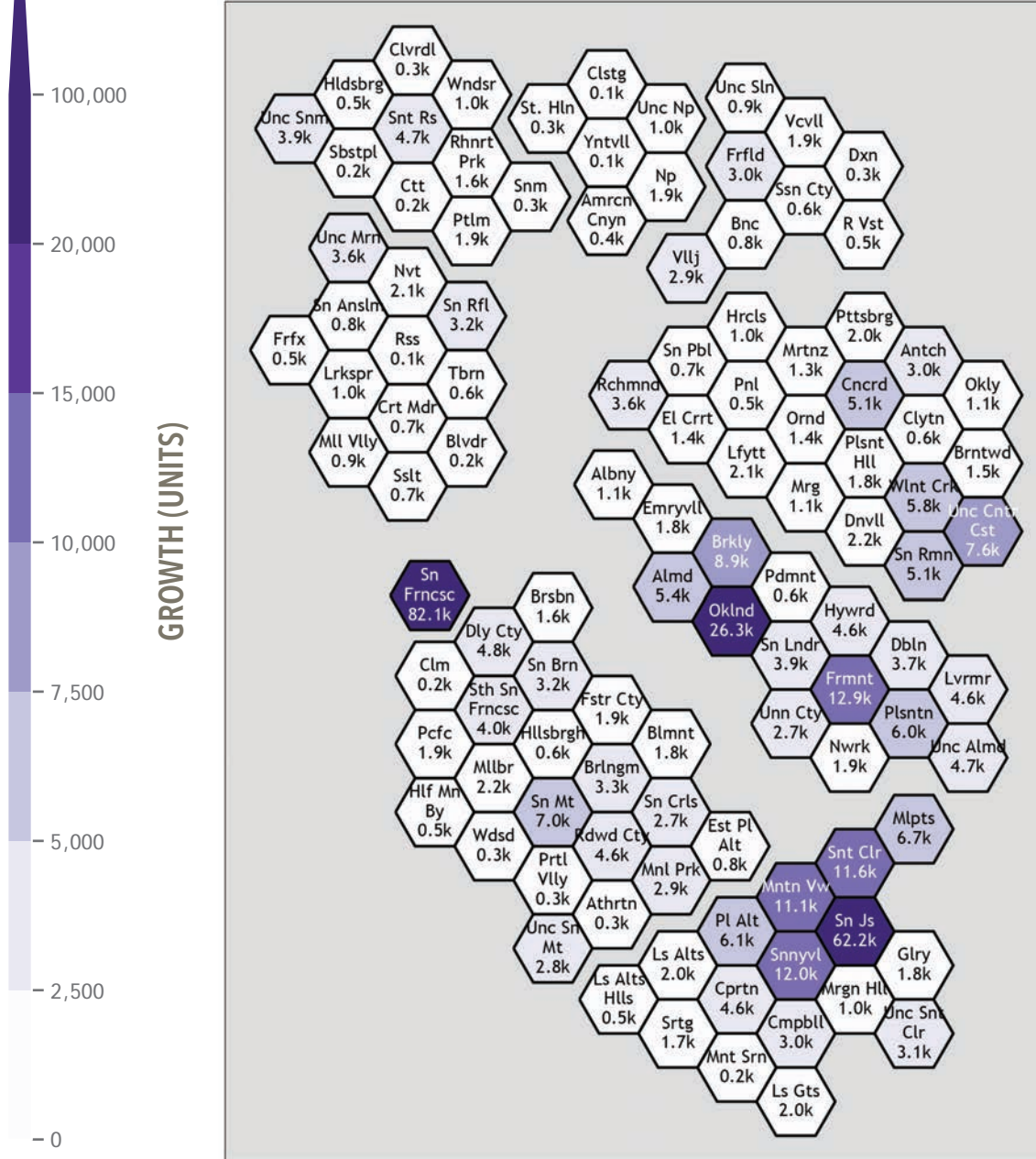
GROWTH (UNITS)

100,000
20,000
15,000
10,000
7,500
5,000
2,500
0

Note: the jurisdiction-specific allocations shown are for illustrative purposes only. ABAG will issue Final Allocations by the end of 2021.

RHNA STATUTORY OBJECTIVES AND FACTORS

As noted previously, Housing Element Law requires the RHNA methodology to further five objectives that recognize the importance of comprehensively planning for housing in ways that also promote equity, strengthen the economy, improve connections between jobs and housing, and protect the environment. The statutory objectives, and the ways in which the Bay Area's draft RHNA methodology meets them, are described below.

RHNA Objectives

OBJECTIVE 1 – "increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households."

The methodology furthers this objective by allocating a share of the region's housing need across all income categories to all jurisdictions in the Bay Area. As a result, all jurisdictions receive an allocation of very low- and low-income units. The methodology allocates these units equitably, as the methodology allocation factors direct very low- and low-income units based primarily on a jurisdiction's access to opportunity. Accordingly, jurisdictions with the most residents living in census tracts

designated as High Resource or Highest Resource on the California Tax Credit Allocation Committee (TCAC) 2020 Opportunity Map receive a higher share of their allocation as lower-income units than other jurisdictions in the region (see **Appendix 2**).

As shown in **Appendix 2**, jurisdictions with the highest housing costs also receive a higher share of their allocation as lower-income units than other jurisdictions in the region. Because jurisdictions must zone at higher densities to accommodate their allocations of low- and very-low-income units, the methodology will result in both greater affordability and a more diverse range of housing types throughout the region, particularly in the jurisdictions that currently lack affordable housing opportunities.

OBJECTIVE 2 – "Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080."

The intent of this objective is consistent with many of the strategies integrated into Plan Bay Area 2050. The draft methodology incorporates the Plan Bay Area 2050 Blueprint as the data source for the baseline allocation used to assign each jurisdiction a beginning share of the RHND, using each jurisdiction's share of the region's households in the year 2050. In effect, this baseline

allocation takes into consideration a jurisdiction's existing total number of households plus its household growth from the Blueprint.

The Plan Bay Area 2050 uses the Bay Area UrbanSim 2.0[17] model to analyze a wide variety of land use data, such as access to jobs, services, and other destinations as informed by Plan Bay Area 2050 transportation investments. Therefore, the Blueprint prioritizes housing growth in three types of growth geographies, Priority Development Areas nominated by local jurisdictions, Transit-Rich Areas with lower greenhouse gas emissions potential, and High-Resource Areas with excellent access to jobs, schools, and more. Compared to the Draft Blueprint that was an input into the proposed RHNA methodology, the Final Blueprint that is used in the draft RHNA methodology emphasizes additional housing growth in transit-rich areas to meet the region's greenhouse gas reduction target. The growth geographies in the Blueprint also exclude areas with high wildfire risk and areas outside urban growth boundaries. Accordingly, the methodology's use of Plan Bay Area 2050 results in an allocation that promotes infill development, protects environmental and agricultural resources, and reduces the region's greenhouse gas emissions.

The inclusion of job proximity by both automobile and transit as factors in the RHNA methodology complements the use of Plan Bay Area 2050 as the baseline allocation to further this objective. These factors direct more housing to the jurisdictions with the most jobs that can be accessed with a 30-minute commute by automobile or a 45-minute

commute by transit. The inclusion of the Job Proximity – Transit factor encourages growth that capitalizes on the Bay Area's existing transit infrastructure, while the Job Proximity - Auto factor recognizes that most people in the region commute by automobile. Encouraging shorter commutes for all modes of travel is an important strategy

for reducing greenhouse gas emissions.

As shown in **Appendix 2**, the draft methodology results in jurisdictions with the most access to jobs and transit as well as jurisdictions with the lowest vehicle miles traveled per resident experiencing higher growth rates from their RHNA allocations than other jurisdictions in the region. Therefore, the methodology furthers the sustainability goals represented by this objective. The draft methodology also promotes socioeconomic equity by expanding the range of housing choices available in all jurisdictions throughout the Bay Area with a particular emphasis on adding homes affordable to lower-income residents in jurisdictions with high resource areas to promote socioeconomic mobility.

OBJECTIVE 3 – "Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction."

The draft RHNA methodology directly incorporates the forecasted development pattern from the Plan Bay Area 2050 Blueprint as the baseline allocation. The Blueprint emphasizes growth near job centers and in locations near transit, as well as in high-resource areas, with the intent of reducing greenhouse gas emissions. The strategies incorporated into the Blueprint help improve the region's jobs-housing balance, leading to shorter commutes—especially for low-income workers.

Moreover, the allocation factors in the draft RHNA

methodology focus entirely on job proximity and access to opportunity. Seventy percent of very low- and low-income units are allocated based on jurisdictions' access to opportunity according to the TCAC 2020 Opportunity Map methodology, which incorporates proximity to jobs filled by workers with less than a bachelor's degree. The remaining 30 percent of the lower-income units are allocated based on jurisdictions' proximity to jobs. Furthermore, 60 percent of the region's moderate- and above moderate-income units are allocated based on jurisdictions' proximity to jobs.

As a result of differences in how units are distributed across income categories in the RHND, the draft RHNA methodology allocates 48 percent of all units based on the factors related to job proximity. Thus, the methodology promotes an improved relationship between jobs and housing. As noted previously, the draft methodology results in jurisdictions with the most access

to jobs experiencing higher growth rates from their RHNA allocations than other jurisdictions in the region.

Also, as shown in **Appendix 2**, the draft methodology results in jurisdictions with the most imbalanced jobs-housing fit (or, ratio between the number of low-wage jobs and the number of housing units affordable to low-wage workers) receiving a higher share of lower-income units than other jurisdictions.

OBJECTIVE 4 – "Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey."

The draft RHNA methodology allocates 70 percent of very low- and low-income units based on a jurisdiction's access to opportunity according to the TCAC 2020 Opportunity Map methodology, which scores jurisdictions partially based on their poverty rates and median home values. Consequently, jurisdictions with the most households in High Resource or Highest Resource census tracts have disproportionately large shares of higher-income residents and relatively small shares of lower-income residents. The draft methodology furthers Objective 4 by allocating lower-income units directly to these jurisdictions with the most access to resources. As a result, the jurisdictions with the largest percentage of households with incomes above 120 percent of the area median income receive a significantly higher share of their RHNA as lower-income units than the jurisdictions with the largest percentage

of households with incomes below 80 percent of area median income (see **Appendix 2**).

OBJECTIVE 5 – "Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws."

The draft RHNA methodology affirmatively furthers fair housing by emphasizing access to opportunity based on the data from the TCAC 2020 Opportunity Map. The Access to High Opportunity Areas factor assigns 70 percent of the region's very low- and low-income units and 40 percent of the region's moderate- and above moderate-income units.

The equity adjustment included in the draft RHNA methodology also helps affirmatively further fair housing. This adjustment ensures that the 49 jurisdictions identified as exhibiting racial and socioeconomic demographics that differ from the regional average receive a share of the region's lower-income RHNA units that is at least proportional to the jurisdiction's share of existing

households. Most of these 49 jurisdictions receive allocations that meet this proportionality threshold based on the draft methodology's emphasis on access to high opportunity areas. However, the equity adjustment ensures that the other 18 jurisdictions that might exhibit racial and economic exclusion but do not have significant shares of households living in high opportunity areas also receive proportional allocations.

Additionally, the draft RHNA methodology's emphasis on affirmatively furthering fair housing is supported by the inclusion of High-Resource Areas as one of the growth geographies in the Plan Bay Area 2050 Blueprint. In the Blueprint, High-Resource areas are defined as the Census tracts identified as High and Highest Resource in the State's Opportunity Map if they were inside a Priority Development Area (PDA) or if they were near transit in a jurisdiction that designated less than 50 percent of its PDA-eligible land as PDAs.[18]

As shown in **Appendix 2**, the allocations from the draft methodology result in the jurisdictions with the highest percentage of residents living in High Resource or Highest Resource tracts in the TCAC 2020 Opportunity Map receiving a larger share of the region's lower-income units than other jurisdictions. With the equity adjustment, jurisdictions exhibiting above-average levels of racial and economic exclusion receive a share of the region's lower-income units that is 19 percent greater than their share of the region's households, and, as noted above, all of the 49 jurisdictions achieve the proportionality threshold. Thus, the methodology will require jurisdictions with the most access to opportunity and those with a pattern of

excluding people of color and lower-income households to zone for a broader range of housing types, particularly housing that is affordable to lower-income households.

RHNA Methodology Factors

Housing Element Law also identifies factors that ABAG must consider in developing its RHNA methodology, to the extent sufficient data is available. The statutory factors, and the ways in which the Bay Area's draft RHNA methodology meets them, are described below. Additionally, these factors were considered as part of the local jurisdiction survey conducted by ABAG. A summary of the results of the local jurisdiction survey, which helped provide local context on local conditions during the development of the methodology, is included as **Appendix 5**.

1. **Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.**

The draft RHNA methodology directly incorporates each jurisdiction's existing and projected jobs-housing relationship in both the baseline allocation and the allocation factors. Forecasts from Plan Bay Area 2050 inform the baseline allocation, and Plan Bay Area 2050

emphasizes growth near job centers and includes strategies related to increased housing densities and office development subsidies to address jobs-housing imbalances in the region. The strategies incorporated into the Blueprint help improve the region's jobs-housing balance, leading to shorter commutes—especially for low-income workers.

The draft RHNA methodology amplifies the Plan Bay Area 2050 Blueprint's emphasis on improving jobs-housing balance by using factors related to job proximity to allocate nearly half of the RHND. These factors direct housing units to those jurisdictions with the most jobs that can be accessed with a 30-minute commute by automobile and/or a 45-minute commute by transit. The combination of the Access to High Opportunity Areas factor and job proximity factors for allocating lower-income RHNA units intends to enable more Bay Area workers to reside closer to their jobs, with an emphasis on providing more affordable housing in jurisdictions with the largest imbalance between low-wage jobs and housing affordable to low-wage workers.

The draft methodology helps to create a more balanced relationship between housing and jobs by directing RHNA units to job-rich jurisdictions and jurisdictions with the most imbalanced jobs-housing fit. As shown in **Appendix 2**, jurisdictions with the largest share of the Bay Area's jobs receive allocations that result in the highest growth rates compared to the rest of the jurisdictions in the region. Additionally, the jurisdictions with the worst jobs-housing fit receive a larger share of their RHNA as affordable housing than other jurisdictions and receive a share of

the RHND that is 22 percent greater than their share of the region's households. This outcome is supported by inclusion of the equity adjustment in the RHNA methodology, which directed additional lower-income units to jurisdictions with an imbalanced jobs-housing fit.

2. **The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:**

   a. **Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.**

   b. **The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department**

of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

c. Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.

d. County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

The opportunities and constraints to housing development are addressed through the incorporation of the Plan Bay Area 2050 Blueprint as the baseline allocation in the draft RHNA methodology. In developing the Plan Bay Area 2050 Blueprint, ABAG-MTC staff worked with local governments to gather information about local plans, zoning, physical characteristics and potential development opportunities and constraints for each jurisdiction. The Final Blueprint

that was integrated into the draft RHNA methodology includes a number of updates based on corrections to local data provided by jurisdiction staff. This information is an input into the UrbanSim 2.0 model that uses a simulation of buyers and sellers in local real estate markets to estimate housing feasibility. In assessing feasibility, the UrbanSim 2.0 model also integrates the higher cost of building on parcels with physical development constraints, e.g., steep hillsides. Protected park land and open space are excluded from development in the model.

However, the Blueprint does not limit a jurisdiction's housing allocation based on local plans or zoning. The UrbanSim 2.0 model is used to forecast expanded growth potential in growth geographies identified in the Blueprint, such as Transit-Rich Areas and High Resource Areas. This allows additional feasible growth within the urban footprint by increasing allowable residential densities and expanding housing into areas currently zoned for commercial and industrial uses.

The Plan Bay Area 2050 Blueprint also excludes areas outside urban growth boundaries and areas with unmitigated high hazard risk from additional growth. Existing urban growth boundaries, which take a variety of forms across the region but are relatively common in the Bay Area, help not only to protect prime agricultural lands from development, but also parks and open space as well. Land outside urban growth boundaries also tends not to have urban services such as sewer and water. The Blueprint also incorporates strategies to protect high-value conservation lands, including matching funds to help conserve high-priority natural and agricultural lands.

Including the Plan Bay Area 2050 Blueprint in the RHNA methodology addresses concerns about natural hazards, as the Blueprint excludes areas with unmitigated high hazard risk from Growth Geographies. The Blueprint Growth Geographies exclude CAL FIRE designated "Very High" fire severity areas as well as county-designated wildland-urban interfaces (WUIs) where applicable. The Blueprint strategies focus future growth away from the highest fire risk zones, support increased wildland management programs, and support residential building upgrades that reduce the likelihood for damage when fires occur in the wildland urban interface.

The Blueprint also incorporates strategies to mitigate the impacts of sea level rise, protecting nearly all communities at risk from two feet of permanent inundation. Riverine flooding is not yet integrated into the Blueprint because existing research does not provide guidance on how to model impacts of temporary riverine flooding to buildings and land value. Communities can choose to take these risks into consideration with where and how they site future development, either limiting growth in areas of higher hazard or by increasing building standards to cope with the hazard.

3. **The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.**

As noted above, the draft RHNA methodology's baseline allocation directly incorporates the forecasted development pattern from Plan Bay Area 2050, the

Bay Area's Regional Transportation Plan/Sustainable Communities Strategy. The growth geographies in Plan Bay Area 2050 emphasize access to transit, both in locally nominated Priority Development Areas and in regionally identified Transit-Rich Areas. This land use pattern is developed with complementary transportation investments in an effort to ensure past and future transportation investments are maximized. The strategies incorporated into the Plan Bay Area 2050 Final Blueprint focused a greater share of growth in transit-rich, high-resource places, yielding shifts toward San Francisco and higher-resource East Bay cities.

The draft RHNA methodology builds on the transit-focused development pattern from Plan Bay Area 2050 by also allocating 15 percent of the region's very low- and low-income units based on a jurisdiction's proximity to jobs that can be accessed by public transit. Thus, the methodology will encourage higher-density housing in jurisdictions with existing transit infrastructure, which can maximize the use of public transportation in these communities.

Similarly, the results in **Appendix 2** demonstrate that the jurisdictions with the largest share of the region's Transit Priority Area (TPA)[19] acres experience significantly higher growth rates from the draft methodology than other jurisdictions. The 25 jurisdictions with the most TPA acreage grow by 18 percent on average as a result of allocations from the draft methodology. All other jurisdictions grow by 12 percent on average. The jurisdictions with the most access to public transit receive the most growth from the draft methodology, which will

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encourage the use of public transportation and existing transportation infrastructure.

4. **Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.**

Use of the Plan Bay Area 2050 Blueprint as the RHNA baseline integrates several key strategies related to agricultural preservation. First, the growth pattern in the Blueprint is significantly driven by the urban growth boundaries strategy which maintains all existing urban growth boundaries, without any expansion, over the lifespan of the long-range plan. Second, this strategy is supported by an agricultural land preservation strategy that helps to acquire land for permanent agricultural use.

At the same time, because urban growth boundaries often extend outside of existing city limits, there remains a limited amount of unincorporated county growth in the Plan Bay Area 2050 Blueprint. Use of the Final Blueprint as the baseline allocation in the draft RHNA methodology resulted in smaller allocations for most of the counties in the region as compared to the proposed RHNA methodology, which relied on the Draft Blueprint. ABAG-MTC will continue discussions with local jurisdictions about opportunities to direct additional RHNA units to incorporated areas, including the use of the provisions in Housing Element Law that allow a county transfer a portion of its RHNA allocation to a city or town after it receives its RHNA allocation from ABAG.[20]

5. **The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.**

Comprehensive data about the loss of assisted housing units is not available for all Bay Area jurisdictions in a consistent format. Jurisdictions that provided information on this topic as part of the survey of local jurisdictions often relied on internal data sources. Twenty-seven percent of survey respondents stated their jurisdiction had lost subsidized affordable housing units in the past 10 years, and 32 percent noted they expected to lose units in the next 10 years. Given the lack of consistent data, this topic was not included as a specific factor in the draft

RHNA methodology. The loss of assisted housing units for lower-income households is an issue that would best be addressed by local jurisdictions when preparing their Housing Elements. ABAG proposes to include available data in its preapproved data package as a starting point for supporting local jurisdictions in addressing this issue.

6. **The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.**

During the consultation process for the RHND, ABAG worked with HCD to compare the Bay Area's share of cost-burdened households to comparable regions throughout the United States. The comparison used data from the 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) to evaluate cost burden for lower-income and higher-income households. The averages of these cost burdens by income group formed the basis for an adjustment that was included in the RHND.[21]

The data analysis prepared for the RHND indicated that approximately 66 percent of Bay Area households earning less than 80 percent of the Area Median Income (AMI) are cost-burdened, while 16 percent of households earning above 80 percent AMI are cost-burdened. The prevalence of cost burden as a concern for many Bay Area households was confirmed by the results of the survey sent to local jurisdictions, where 51 respondents (72 percent) indicated that high housing costs and high rates of cost burden affect housing needs in their jurisdictions.

The UrbanSim 2.0 model used to develop the Plan Bay Area 2050 Blueprint considers both housing costs and relative incomes when forecasting future growth. Moreover, Plan Bay Area 2050 incorporates multiple strategies to address housing unaffordability, including allowing a greater mix of housing types and densities in the plan's growth geographies, reducing barriers to housing near transit and in areas of high opportunity, transforming aging malls and office parks into mixed-income neighborhoods, raising additional funding for affordable housing, requiring 10 to 20 percent of new housing to be affordable, and strengthening renter protections beyond current state regulations.

The RHNA methodology further addresses cost-burdened households in the Bay Area – particularly the high percentage of cost-burdened households earning less than 80 percent of AMI – by allocating lower-income units to all jurisdictions, particularly those with the most access to opportunity. The methodology allocates 70 percent of the region's lower-income units based on jurisdictions' access to opportunity according to the TCAC 2020 Opportunity Map.

As shown in **Appendix 2**, the jurisdictions with the highest housing costs receive a larger percentage of their RHNA as lower-income units than other jurisdictions in the region, and the jurisdictions with the most households in High or Highest Resource census tracts also receive a larger percentage of their allocations as lower-income units than other jurisdictions.

Local governments will have an opportunity to address

jurisdiction-specific issues related to cost-burdened households when they update their housing elements. ABAG-MTC staff will include data on jurisdiction-specific rates of housing cost burden as part of housing data packets being prepared to assist with housing element updates.

7. The rate of overcrowding.

During the consultation process for the RHND, ABAG worked with HCD to compare the Bay Area's rate of overcrowding to comparable regions throughout the United States. The comparison used data from the 2014-2018 American Community Survey (ACS) to evaluate overcrowding. The Bay Area's overcrowding rate of 6.73 percent is nearly double the rate of comparable regions. Consequently, ABAG's RHND includes an overcrowding adjustment.[22]

Overcrowding rates are inputs into the Plan Bay Area 2050 regional growth forecast, which is used as the baseline allocation in the draft methodology. As noted earlier, Plan Bay Area 2050 also directly incorporates multiple strategies to address housing affordability, and these strategies also seek to reduce overcrowding.

Like housing cost burden, overcrowding indicates a lack of adequate housing supply, especially housing units affordable for lower-income households. The draft methodology seeks to expand the housing supply, and especially the supply of affordable units, within the most expensive parts of the region, which can help reduce the rates of overcrowding experienced by Bay Area households. As shown in **Appendix 2**, the draft

methodology results in the jurisdictions with the highest housing costs receiving a larger percentage of their RHNA as lower-income units than other jurisdictions and a share of the region's total RHNA that is 8 percent larger than their share of the region's households.

Local governments will have an opportunity to address jurisdiction-specific issues related to overcrowded households when they update their housing elements. ABAG-MTC staff will include data on jurisdiction-specific rates of overcrowding as part of housing data packets being prepared to assist with housing element updates.

8. The housing needs of farmworkers.

ABAG included questions about housing needs for the region's farmworkers in its survey of local jurisdictions, however consistent data is not available for all Bay Area jurisdictions. ABAG's draft RHNA methodology incorporates this factor through its emphasis on proximity to jobs, which includes agricultural jobs. As shown in **Appendix 2**, the draft methodology also results in jurisdictions with the most low-wage jobs per housing unit affordable to low-wage workers receiving higher percentages of affordable housing compared to other jurisdictions in the region. This outcome is supported by inclusion of the equity adjustment in the RHNA methodology, which directed additional lower-income units to jurisdictions with an imbalanced jobs-housing fit. As a result, jurisdictions with larger farmworker housing need will be expected to provide more very low- and low-income units to meet this demand.

9. **The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.**

Responses to questions from ABAG's Local Jurisdiction Survey about housing demand created by postsecondary educational institutions indicate a need for better data collection on this issue. Despite the lack of precise data on this topic at the local level, the housing needs generated by postsecondary institutions are incorporated into Plan Bay Area 2050, which directly informs the baseline allocation of the draft RHNA methodology. The Regional Growth Forecast projects the number of households and group quarters residents, some of whom are students. Additionally, the local growth patterns developed for Plan Bay Area 2050 using UrbanSim consider the presence of major universities as well as these institutions' residential and non-residential pipeline projects. Moreover, the RHNA methodology allocates nearly half of all units based on proximity to jobs, and postsecondary education institutions tend to be significant job centers. Therefore, the methodology will allocate more housing to jurisdictions near community colleges or public and private universities, which will result in additional housing units that can enable these jurisdictions to address the housing needs of students, faculty, and staff at these institutions.

10. The housing needs of individuals and families experiencing homelessness.

Comprehensive jurisdiction-level data about individuals and families experiencing homelessness is not available for all Bay Area jurisdictions in a consistent format. As a result, this topic was not included as a specific factor in the draft RHNA methodology. However, the methodology does consider the housing needs of individuals and families experiencing homelessness by allocating very low- and low-income units to all jurisdictions throughout the region. As the RHNA methodology focuses on access to opportunity and proximity to jobs, the methodology can help ensure that housing targeted toward people experiencing homelessness can enable them to access employment and other essential resources for stability and economic mobility. Furthermore, ABAG will encourage all local jurisdictions to adequately plan for the needs of those experiencing homelessness in their housing elements.

11. The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.

ABAG received two responses in the survey of local jurisdictions that identified the number of units lost during declared states of emergency. The City of Santa Rosa indicated that 3,043 housing units were lost on October 8,

2017 and that, as of February 2020 when the survey was conducted, 2,323 units had been completed or were in the construction/permitting process. The County of Sonoma stated the unincorporated county lost 2,200 units in the 2017 Sonoma Complex Fires and 1,235 units had been rebuilt or were under construction as of February 2020. The County also lost 176 units in the 2019 Kincade fire and 4 were in the process of being rebuilt as of February 2020. Unincorporated Napa County also reported to the California Department of Finance (DOF) that it lost 587 housing units in during the wildfires that took place in 2017.

In developing the RHND, HCD analyzed Bay Area jurisdictions' annual reports to DOF and found that the ten-year annual average rate of demolitions for the Bay Area is 0.40 percent of the housing stock. The RHND included HCD's minimum replacement adjustment of 0.5 percent, which exceeds the region's demolition rate. This adjustment added 15,120 housing units to the RHND. Since the demolition adjustment in the RHND included significantly more units than were lost, it was not necessary to include a specific factor in the draft methodology to address the loss of units.

12. The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

Plan Bay Area 2050, which is used as the baseline allocation in the draft RHNA methodology, includes a diverse range of strategies to reduce greenhouse gas emissions, including:

ABAG-MTC Photo Archive.

- Focusing more housing growth in areas near high-quality public transit and in high-resource communities near job centers
- Redeveloping aging malls and office parks in mixed-income communities
- Vastly expanding the amount of funding for production and preservation of affordable housing
- Focusing more job growth near high-quality public transit, especially in housing-rich communities to address jobs-housing imbalance

- Investing in new local and regional rail lines, express buses, local bus systems, and more to serve communities across the Bay Area
- Investing in world-class bicycle and pedestrian infrastructure in all communities to enable neighborhood trips to be completed without a car.

The greenhouse gas reduction forecasts in Plan Bay Area 2050 are subject to the review of the State Air Resources Board. The Final Blueprint meets and exceeds the 19 percent per-capita target set for this planning cycle.

Additionally, the draft RHNA methodology's allocation factors focus on locating housing near jobs. As a result, as shown in **Appendix 2**, jurisdictions with the most access to jobs and transit as well as those with the lowest VMT per resident experience higher growth rates resulting from the draft RHNA methodology's allocations.

13. **Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further.**

No other planning factors were adopted by ABAG to review as a specific local planning factor.

RHNA SUBREGIONS

Housing Element Law allows two or more jurisdictions to form a "subregion" to conduct a parallel RHNA process to allocate the subregion's housing need among its members. A subregion is responsible for conducting its own RHNA process that meets all of the statutory requirements related to process and outcomes, including developing its own RHNA methodology, allocating a share of need to each member jurisdiction, and conducting its own appeals process. The subregion's final allocation must meet the same requirements as the regional allocation: it must further the statutory objectives, have considered the statutory factors, and be consistent with the development pattern of Plan Bay Area 2050.

For the 2023 to 2031 RHNA, a subregion was formed in Solano County that includes City of Benicia, City of Dixon, City of Fairfield, City of Rio Vista, City of Suisun City, City of Vacaville, City of Vallejo, and County of Solano.[23]

ABAG must assign each subregion a share of the Bay Area's RHND, which represents the total number of units, by income category, the subregion must allocate to its member jurisdictions. Each subregion's portion of the RHND has been removed from the units allocated by ABAG's process for the rest of the region's jurisdictions.

The ABAG Executive Board approved the release of Draft Subregional Shares for public comment on October 15, 2020. ABAG received no comments on the Draft Subregional Shares during the public comment period. The Final Subregional Shares have been updated based on the integration of the Final Blueprint and the equity adjustment into the Draft RHNA Methodology, as shown in Table 6 (below).

Table 6: **Final Subregional Shares, Total Units by Income Category**

Subregion	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL
Solano County	2,803	1,612	1,832	4,745	10,992

NEXT STEPS

Following approval by the ABAG Executive Board in January 2021, the draft RHNA methodology was submitted to HCD for its review. Within 60 days, HCD will review the draft methodology and provide any findings to ABAG. The Executive Board will be asked to adopt a final methodology in spring 2021. At that time, ABAG will issue a draft allocation showing the number of housing units, by income category, that each jurisdiction receives based on the final adopted methodology.

Following the release of the draft allocations, during summer/fall 2021 ABAG will conduct the required appeals process where a local government or HCD can appeal any local government's draft allocation.[24] After ABAG conducts a public hearing to consider appeals and takes action on them, it will adopt the final allocation plan, currently slated for the end of 2021. Once each jurisdiction receives its RHNA allocation, it must revise its housing element by January 2023 to show how it plans to accommodate its portion of the Bay Area's housing need.

As noted previously, ABAG-MTC will also continue discussions with local jurisdictions about opportunities to direct additional RHNA units from unincorporated counties to incorporated areas, including the use of the provisions in Housing Element Law that allow a county transfer a portion of its RHNA allocation to a city or town after it receives its RHNA allocation from ABAG.

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ENDNOTES

1   Government Code Section 65580 covers all facets of Housing Element Law. The RHNA process is covered in Section 65584. RHNA factors are covered in Section 65584.04; objectives are covered in 65584(d).

2   The four income categories included in the RHND are:
- Very Low Income: 0-50% of Area Median Income
- Low Income: 50-80% of Area Median Income
- Moderate Income: 80-120% of Area Median Income
- Above Moderate Income: 120% or more of Area Median Income

3   Read more on the HCD Regional Housing Needs Allocation and Housing Elements web page.

4   More details about the RHND is available on the ABAG RHNA website (scroll to bottom of page). At this time, the RHND has been finalized by the State for the Bay Area's RHNA process.

5   Government Code Section 65584.01.

6   Government Code Section 65584(d).

7   Government Code Section 65584.04(m)(1).

8   According to Government Code Section 65584(e), affirmatively furthering fair housing means "For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws."

9   See State of California Government Code Section 65584.04(b)(1).

10   A summary of the Local Jurisdiction Survey responses is available on the ABAG website.

11   For letters HCD sent to other regions, see the January 2020 HMC meeting agenda packet.

12   The Draft RHNA Methodology and Plan Bay Area 2050 are consistent for all nine counties and in 33 of 34 superdistricts (i.e., sub-county areas) using the methodology developed during the HMC process. In the one superdistrict flagged during the consistency check, the Final Blueprint reflects the loss of more than 1,000 homes in wildfires since 2015. Anticipated reconstruction of these units during the RHNA period does not yield significant net growth in housing units, making these allocations consistent with the Final Blueprint long-range projections.

13   Plan Bay Area 2050 is the long-range regional plan for the San Francisco Bay Area, serving as the 2021 Regional Transportation Plan/Sustainable Communities Strategy for the Bay Area

14   For more information on the Opportunity Map, see pages 10-13 of this document from the March 2020 HMC meeting's agenda packet.

15   See Government Code Section 65584(e).

16   Jurisdictions with above-average levels of racial and economic exclusion were identified based on their divergence index scores and their percentage of households above 120 percent Area Median Income. The divergence index score is a calculation of how different a jurisdiction's racial demographics are from the region's demographics. If a jurisdiction has the same racial distribution as the region, the jurisdiction's divergence index is scored at 0. The more a jurisdiction's demographics diverge from the regional distribution, the higher the divergence index score. A high score does not necessarily indicate that the jurisdiction is racially homogenous, only that its demographic profile differs markedly from the region's racial demographics. Given the multitude of racial and ethnic groups in the Bay Area, the Othering and Belonging Institute at UC Berkeley has identified the Divergence Index as the best measure of segregation in the region in part because this measure captures segregation for multiple racial groups simultaneously.

17   Bay Area UrbanSim 2.0 is a spatially explicit economic model that forecasts future business and household locations. It forecasts future land use change (e.g., development or redevelopment) starting from an integrated base year database containing information on the buildings, households, businesses and land use policies within the region. During the simulation, Bay Area UrbanSim 2.0 forecasts the choices real estate developers make on how much, what, and where to build, based upon future-focused public policy inputs (strategies & growth geographies adopted for use in Plan Bay Area 2050). This adds additional housing units and commercial space in profitable locations (i.e., land use policies at the site allow the construction of a building that is profitable under forecast demand). Additional documentation for Bay Area UrbanSim 2.0 is available at: https://github.com/UDST/bayarea_urbansim

18   For purposes of designating High-Resource Areas in the Blueprint, "near transit" was defined as within 1/2 mile of a rail station, ferry terminal or bus stop with peak headways of 15 minutes or less, or within 1/4 mile of a bus stop with peak headways of 30 minutes or less.

19   Transit Priority Areas are defined in the California Public Resources Code, Section 21099 as areas within 1/2 mile of a Major Transit stop, which could be any of the following:
- Existing rail stations
- Planned rail stations in an adopted Regional Transportation Plan
- Existing ferry terminals with bus or rail
- Planned ferry terminals with bus or rail service in an adopted Regional Transportation Plan
- Intersection of at least two existing or planned bus routes with headways of 15 minutes or better during both the morning and evening peak periods

20   Government Code Section 65584.07.

21   See the June 9, 2020 letter in which HCD provided the RHND for the Bay Area.

22   See the June 9, 2020 letter in which HCD provided the RHND for the Bay Area.

23   The jurisdictions that had decided to form a subregion in Napa County (City of American Canyon, City of Napa, Town of Yountville, and the County of Napa) decided in December 2020 to dissolve their subregion. As a result, these jurisdictions will participate in the RHNA process ABAG is conducting and will receive allocations based on the RHNA methodology adopted by ABAG.

24   Government Code Section 65584.05

APPENDICES

APPENDIX 1

GAVIN NEWSOM, *Governor*

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
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June 9, 2020

Therese W. McMillan, Executive Director
Association of Bay Area Governments
375 Beale Street. Suite 700
San Francisco, CA 94105

Dear Therese W. McMillan,

RE: Final Regional Housing Need Determination

This letter provides the Association of Bay Area Governments (ABAG) its final Regional Housing Need Determination. Pursuant to state housing element law (Government Code section 65584, et seq.), the Department of Housing and Community Development (HCD) is required to provide the determination of ABAG's existing and projected housing need.

In assessing ABAG's regional housing need, HCD and ABAG staff completed an extensive consultation process from March 2019 through May 2020 covering the methodology, data sources, and timeline for HCD's determination of the Regional Housing Need. HCD also consulted with Walter Schwarm with the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **441,176** total units among four income categories for ABAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01. In determining ABAG's housing need, HCD considered all the information specified in state housing law (Gov. Code section 65584.01(c)).

As you know, ABAG is responsible for adopting a methodology for RHNA allocation and RHNA Plan for the projection period beginning June 30, 2022 and ending December 31, 2030. Pursuant to Gov. Code section 65584(d), the methodology to prepare ABAG's RHNA plan must further the following objectives:

(1) Increasing the housing supply and mix of housing types, tenure, and affordability
(2) Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patters
(3) Promoting an improved intraregional relationship between jobs and housing
(4) Balancing disproportionate household income distributions
(5) Affirmatively furthering fair housing

Pursuant to Gov. Code section 65584.04(d), to the extent data is available, ABAG shall include the factors listed in Gov. Code section 65584.04(d)(1-13) to develop its RHNA

Therese W. McMillan Director
Page 2

plan, and pursuant to Gov. Code section 65584.04(f), ABAG must explain in writing how each of these factors was incorporated into the RHNA plan methodology and how the methodology furthers the statutory objectives described above. Pursuant to Gov. Code section 65584.04(h), ABAG must submit its draft methodology to HCD for review.

Increasing the availability of affordable homes, ending homelessness, and meeting other housing goals continues to be a priority for the State of California. To support these goals the 2019-20 Budget Act allocated $250 million for all regions and jurisdictions for planning activities through the Regional Early Action Planning (REAP) and Local Early Action Planning (LEAP) Grant programs. ABAG has $ 23,966,861 available through the REAP program and HCD applauds ABAG's efforts to engage early on how best to utilize these funds and HCD looks forward to continuing this collaboration. All ABAG jurisdictions are also eligible for LEAP grants and are encouraged to apply to support meeting and exceeding sixth cycle housing element goals. While the SB 2 Planning Grant deadline has passed, ongoing regionally tailored technical assistance is still available through that program.

In addition to these planning resources HCD encourages local governments to consider the many other affordable housing and community development resources available to local governments that can be found at *https://www.hcd.ca.gov/grants-funding/nofas.shtml*

HCD commends ABAG and its leadership in fulfilling its important role in advancing the state's housing, transportation, and environmental goals. ABAG is also recognized for its actions in proactively educating and engaging its board and committees on the RHNA process and the regional housing need, as well as creating tools to aid the public understanding in the process. HCD especially thanks Paul Fassinger, Gillian Adams, Aksel Olsen, Dave Vautin, Bobby Lu, Matt Maloney, and Elizabeth Bulgarin for their significant efforts and assistance. HCD looks forward to its continued partnership with ABAG and its member jurisdictions and assisting ABAG in its planning efforts to accommodate the region's share of housing need.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Acting Deputy Director, at *megan.kirkeby@hcd.ca.gov* or Tom Brinkhuis, Housing Policy Specialist at (916) 263-6651 or *tom.brinkhuis@hcd.ca.gov*.

Sincerely,

Megan Kirkeby
Acting Deputy Director

Enclosures

APPENDIX 1

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION
ABAG: June 30, 2022 through December 31, 2030

Income Category	Percent	Housing Unit Need
Very-Low*	25.9%	114,442
Low	14.9%	65,892
Moderate	16.5%	72,712
Above-Moderate	42.6%	188,131
Total	**100.0%**	**441,176**
* Extremely-Low	15.5%	Included in Very-Low Category

Notes:
Income Distribution:
Income categories are prescribed by California Health and Safety Code (Section 50093, et. seq.). Percents are derived based on Census/ACS reported household income brackets and county median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION:
ABAG June 30, 2021 through December 31, 2030

Methodology

Reference No.	Step Taken to Calculate Regional Housing Need	Amount
	ABAG: PROJECTION PERIOD (8.5 years) **HCD Determined Population, Households, & Housing Unit Need**	
1.	**Population: December 31 2030 (DOF June 30 2030 projection adjusted + 6 months to December 31 2030)**	8,273,975
2.	*- Group Quarters Population: December 31 2030 (DOF June 30 2030 projection adjusted + 6 months to December 31 2030)*	-169,755
3.	**Household (HH) Population**	233,655
4.	**Projected Households**	**3,023,735**
5.	+ Vacancy Adjustment (3.27%)	+98,799
6.	+ Overcrowding Adjustment (3.13%)	+94,605
7.	+ Replacement Adjustment (.50%)	+15,120
8.	*- Occupied Units (HHs) estimated June 30, 2022*	-2,800,185
9.	+ Cost-burden Adjustment	+9,102
Total	**6th Cycle Regional Housing Need Assessment (RHNA)**	**441,176**

Detailed background data for this chart is available upon request.

Explanation and Data Sources

1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Gov. Code Section 65584.01, projections were extrapolated from DOF projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institute, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons within the Household Population to form households at different rates based on American Community Survey (ACS) trends.

5. Vacancy Adjustment: HCD applies a vacancy adjustment (standard 5% maximum to total projected housing stock) and adjusts the percentage based on the region's current vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% vacancy rate and regions current vacancy rate based **(1.73%)** on the 2014-2018 ACS data. For ABAG that difference is **3.27%**.

6. Overcrowding Adjustment: In regions where overcrowding is greater than the comparable region's overcrowding rate, or in the absence of comparable region the national overcrowding rate. HCD applies an adjustment based on the amount the regions overcrowding rate **(6.73%)** exceeds the comparable region's rate **(3.60%)**. For ABAG that difference is **3.13%**. Data is from the 2014-2018 ACS.

APPENDIX 1

HCD REGIONAL HOUSING NEED DETERMINATION:
ABAG June 30, 2021 through December 31, 2030
(Continued)

7. Replacement Adjustment: HCD applies a replacement adjustment between .5% and 5% to the total housing stock based on the current 10-year annual average percent of demolitions the region's local government annual reports to Department of Finance (DOF). For ABAG the 10-year annual average multiplied by the length of the projection period is .40%, and the minimum **.50%** adjustment is applied.

8. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2022).

9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the comparable regions, as determined by ABAG. The very-low and low income RHNA is increased by the percent difference (66.64%-66.00%=**.64%**) between the region and the comparable region cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate and above-moderate income RHNA is increased by the percent difference (16.25%-13.10%=**3.15%**) between the region and the comparable region cost burden rate for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent. Data is from 2012-2016 CHAS.

Overview of Performance Evaluation Metrics

The RHNA allocation methodology must meet five objectives identified in Housing Element Law.[1] To help ensure that any proposed methodology will meet the statutory RHNA objectives and receive approval from the California Department of Housing and Community Development (HCD), ABAG-MTC staff developed a set of evaluation metrics to assess different methodology options. These metrics are based largely on the analytical framework used by HCD in evaluating the draft methodologies completed by other regions in California, as evidenced by the approval letters HCD provided to the Sacramento Area Council of Governments (SACOG), San Diego Association of Governments (SANDAG), and Southern California Association of Governments (SCAG).[2] Other metrics reflect input from members of the Housing Methodology Committee (HMC).

In the evaluation metrics, each statutory objective has been reframed as a question that reflects the language Housing Element Law uses to define the objectives. Each statutory objective is accompanied by quantitative metrics for evaluating the allocation produced by a methodology. The metrics are structured as a comparison between the allocations to the top jurisdictions in the region for a particular characteristic – such as jurisdictions with the most expensive housing costs – and the allocations to the rest of the jurisdictions in the region.

Metrics Based on Lower-Income Unit Percentage vs. Metrics Based on Total Allocation

Several of the metrics focus on whether jurisdictions with certain characteristics receive a significant share of their RHNA as lower-income units. These metrics reflect HCD's analysis in its letters evaluating RHNA methodologies from other regions. However, HMC members advocated for metrics that also examine the total number of units assigned to a jurisdiction. These HMC members asserted that it is ultimately less impactful if a jurisdiction receives a high share of its RHNA as lower-income units if that same jurisdiction receives few units overall. Accordingly, each metric that focuses on the share of lower-income units assigned to jurisdictions with certain characteristics is paired with a complementary metric that examines whether those jurisdictions also receive a share of the regional housing need that is at least proportional to their share of the region's households. A value of 1.0 for these complementary metrics means that the group of jurisdictions' overall share of RHNA is proportional relative to its overall share of households in 2020, while a value below 1.0 is less than proportional.

Evaluation of Draft RHNA Methodology

The graphs below show how well the draft RHNA methodology performs in achieving the five statutory RHNA objectives based on the evaluation metrics.

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1 See California Government Code Section 65584(d).
2 For copies of letters HCD sent to other regions, see this document from the January 2020 HMC meeting agenda packet.

APPENDIX 2

OBJECTIVE 1: Does the allocation increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner?

Metric 1a.1: Do jurisdictions with the most expensive housing costs receive a significant percentage of their RHNA as lower-income units?
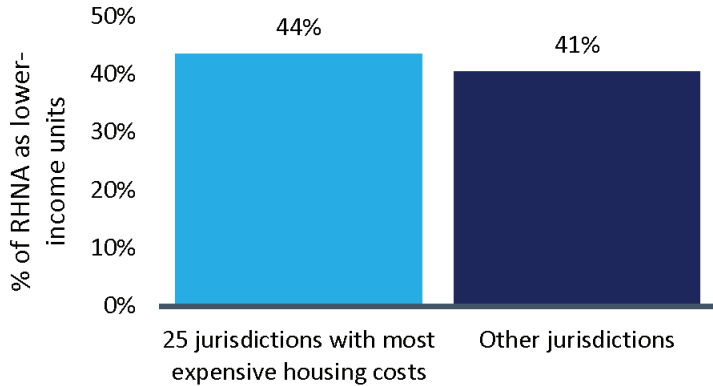

Metric 1a.2: Do jurisdictions with the most expensive housing costs receive a share of the region's housing need that is at least proportional to their share of the region's households?
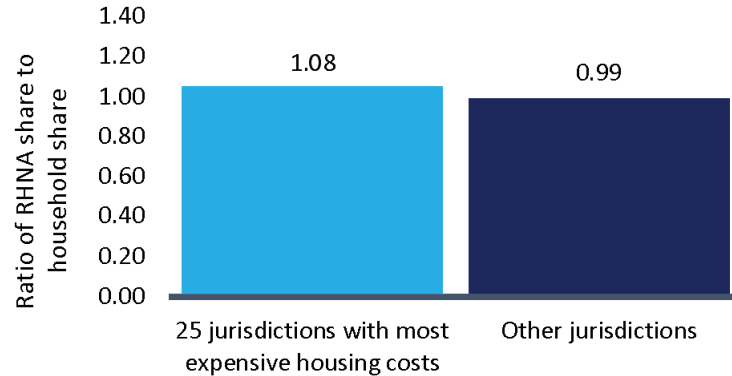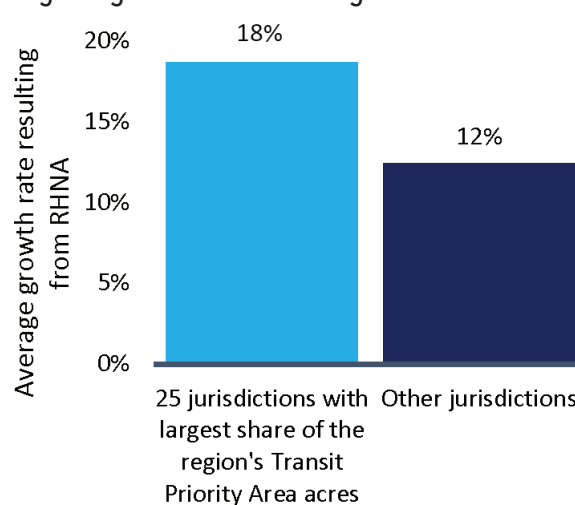

OBJECTIVE 2: Does the allocation promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets?

Metric 2a: Do jurisdictions with the largest share of the region's jobs have the highest growth rates resulting from RHNA?
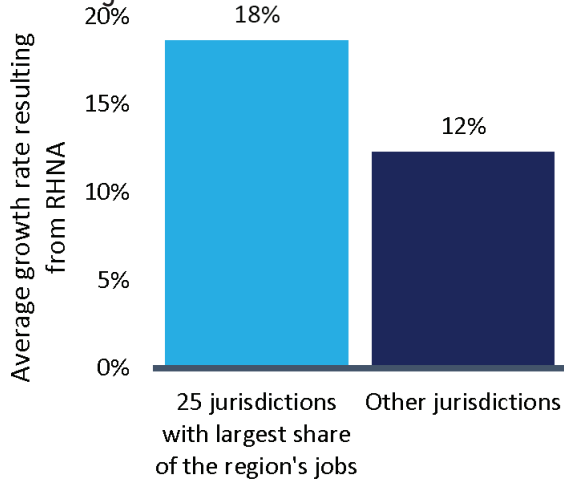
Metric 2b: Do jurisdictions with the largest share of the region's Transit Priority Area acres have the highest growth rates resulting from RHNA?


Metric 2c: Do jurisdictions with the lowest vehicle miles traveled (VMT) per resident have the highest growth rates resulting from RHNA?
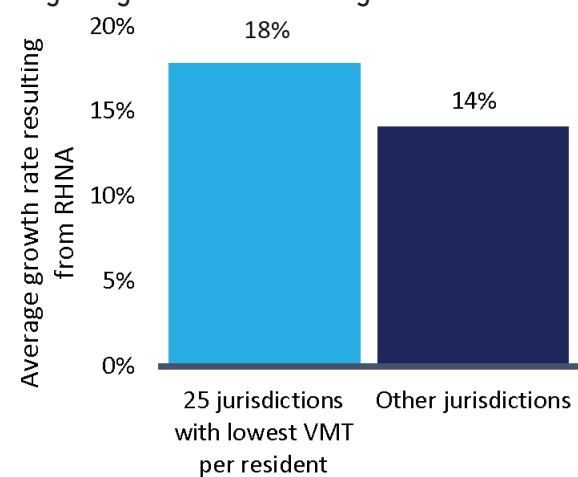
OBJECTIVE 3: Does the allocation promote an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low wage workers in each jurisdiction?

Metric 3a.1: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a significant percentage of their RHNA as lower-income units?

Chart — % of RHNA as lower-income units:
- 25 jurisdictions with the most low-wage jobs per housing unit affordable to low-wage workers: 43%
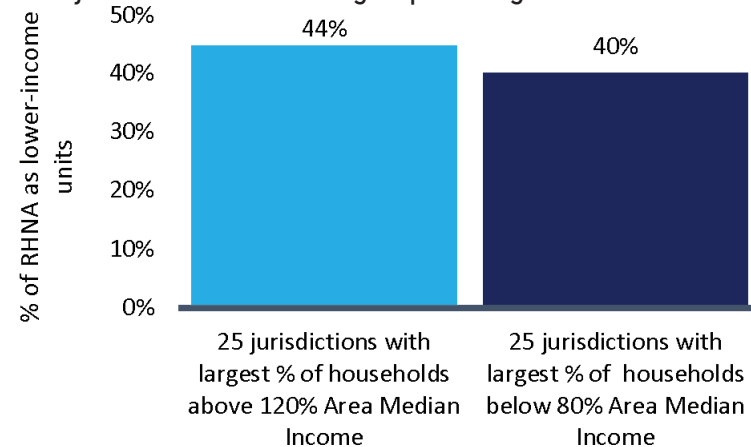- Other jurisdictions: 41%
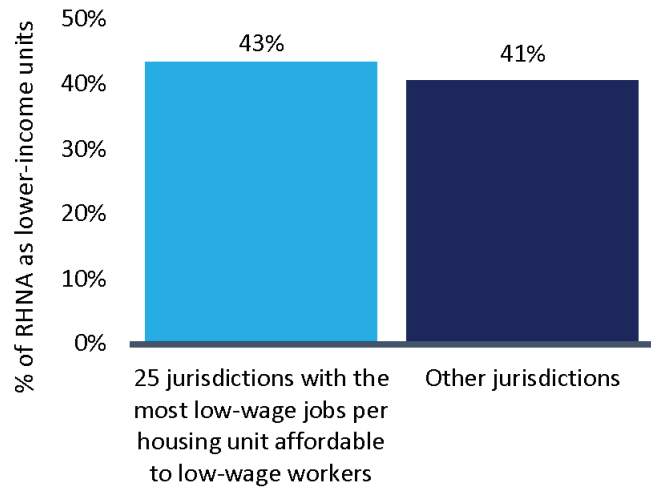
Metric 3a.2: Do jurisdictions with the most low-wage workers per housing unit affordable to low-wage workers receive a share of the region's housing need that is at least proportional to their share of the region's households?

Chart — Ratio of RHNA share to household share:
- 25 jurisdictions with the most low-wage jobs per housing unit affordable to low-wage workers: 1.22
- Other jurisdictions: 0.98
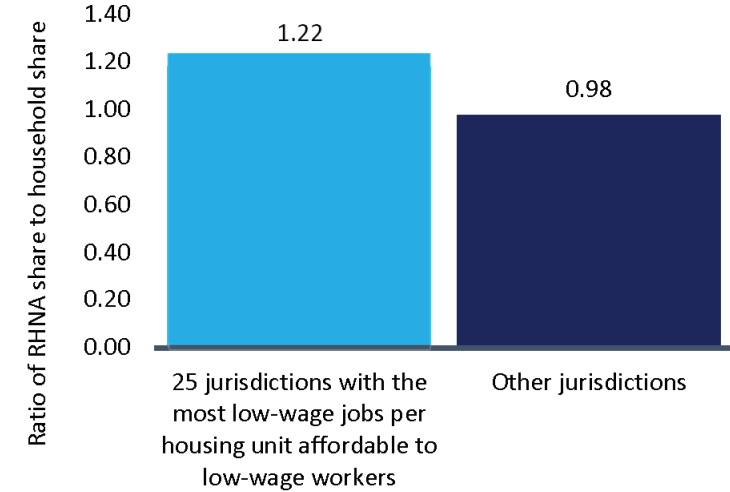
OBJECTIVE 4: Does the allocation direct a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category?
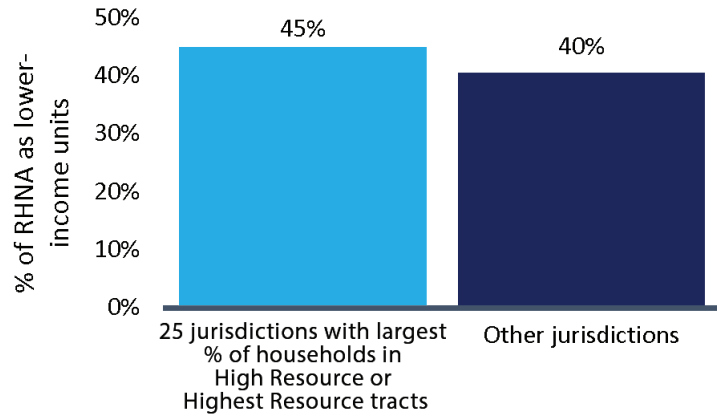
Metric 4: Do jurisdictions with the largest percentage of high-income residents receive a larger share of their RHNA as lower-income units than jurisdictions with the largest percentage of low-income residents?


Chart — % of RHNA as lower-income units:
- 25 jurisdictions with largest % of households above 120% Area Median Income: 44%
- 25 jurisdictions with largest % of households below 80% Area Median Income: 40%

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APPENDIX 2

OBJECTIVE 5: Does the allocation affirmatively further fair housing?
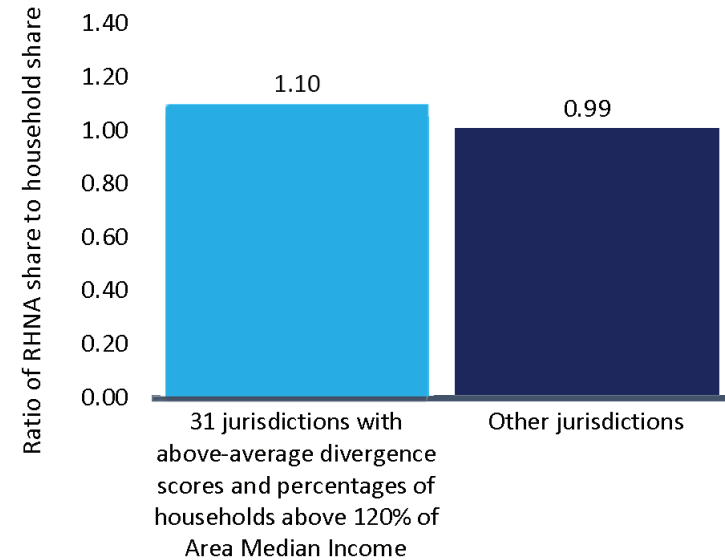
Metric 5a.1: Do jurisdictions with the largest percentage of households living in High or Highest Resource census tracts receive a significant percentage of their RHNA as lower-income units?


Metric 5a.2: Do jurisdictions with the largest percentage of households living in High or Highest Resource census tracts receive a share of the region's housing need that is at least proportional to their share of the region's households?
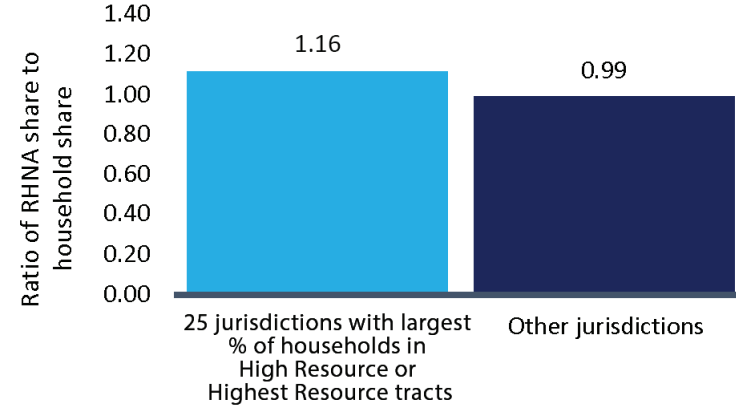
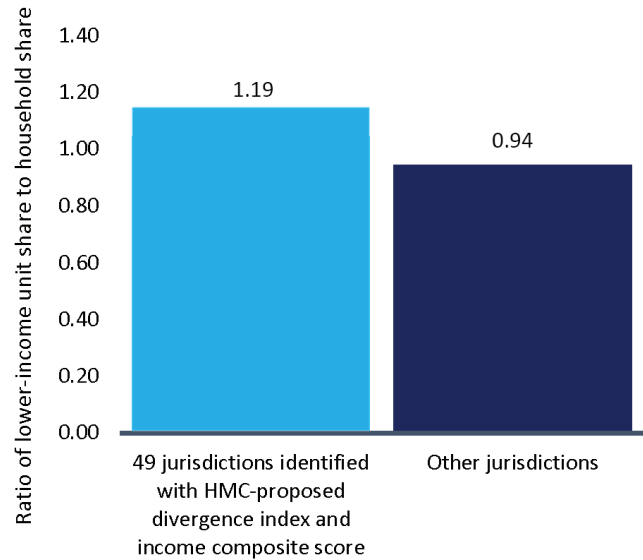
Metric 5b: Do jurisdictions exhibiting racial and economic exclusion receive a share of the region's housing need that is at least proportional to their share of the region's households?


Metric 5c: Do jurisdictions with the largest percentage of high-income residents receive a share of the region's housing need that is at least proportional to their share of the region's households?
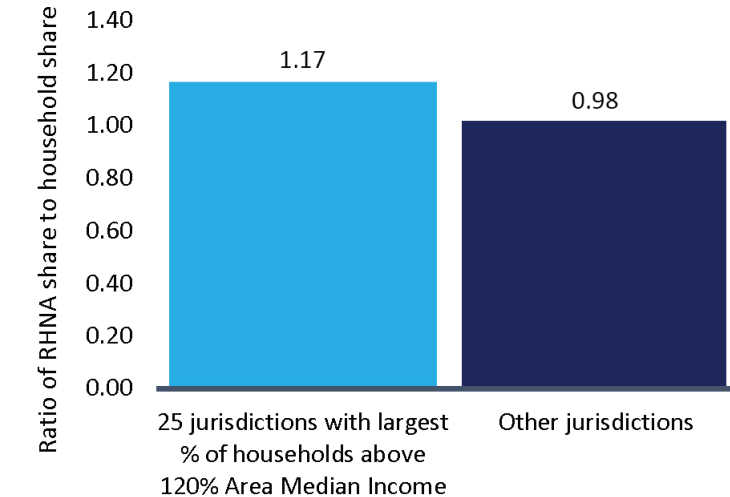
Metric 5d.1: Do jurisdictions exhibiting racial and economic exclusion above the regional average receive a total share of the region's very low and low-income housing need that is at least proportional to their total share of the region's households?

Metric 5d.2: Do most jurisdictions exhibiting racial and economic exclusion above the regional average receive a share of the region's very low- and low-income housing need that is at least proportional to the jurisdiction's share of the region's households?
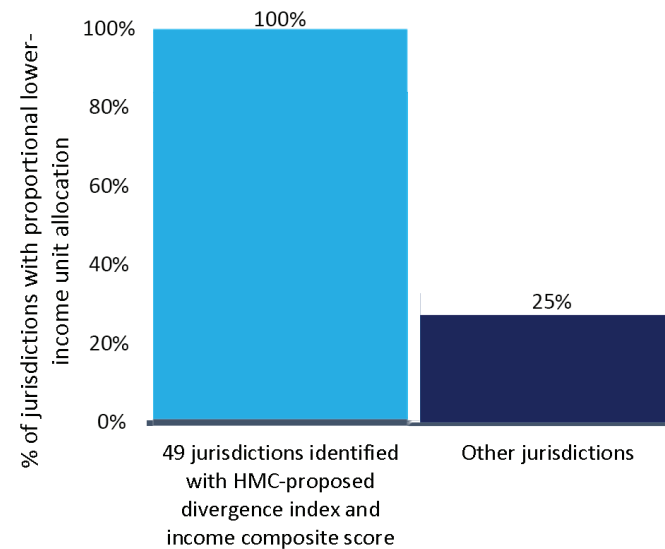
Note: These metrics use a composite score to identify jurisdictions that exhibit racial and economic exclusion that is above the regional average based on the jurisdiction's divergence index score and the percent of the jurisdiction's households above 120 percent of Area Median Income (AMI).

Equity Adjustment	STEP 1: IDENTIFY JURISDICTIONS EXHIBITING RACIAL AND ECONOMIC EXCLUSION			STEP 2: COMPARE JURISDICTION'S LOWER-INCOME ALLOCATION FROM FACTORS/WEIGHTS TO LOWER-INCOME ALLOCATION NEEDED TO BE PROPORTIONAL TO JURISDICTION'S SHARE OF 2020 HOUSEHOLDS						STEP 2 (CONTINUED):		STEP 3: IDENTIFY CHANGE IN UNITS BY INCOME CATEGORY[2]			STEP 4: FINAL VERY LOW- AND LOW-INCOME ALLOCATIONS	
				2020 HOUSEHOLDS		UNMODIFIED ALLOCATION FROM FACTORS/WEIGHTS									BEGINNING ALLOCATION PLUS EQUITY ADJUSTMENT	
	DIVERGENCE INDEX SCORE	SHARE OF HOUSEHOLDS ABOVE 120% AMI	EQUITY ADJUSTMENT COMPOSITE SCORE[1]	TOTAL	SHARE OF REGION	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME SHARE	LOW-INCOME SHARE	HYPOTHETICAL VERY LOW-INCOME PROPORTIONAL	HYPOTHETICAL LOW-INCOME PROPORTIONAL	TOTAL	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME UNITS	LOW-INCOME UNITS
More Exclusionary - Subject to Adjustment (the more exclusionary jurisdictions whose allocations based on factors/weights need to be increased to meet the equity adjustment's proportionality threshold)																
Atherton	0.246	0.821	1.066	2,273	0.1%	81	47	0.1%	0.1%	94	54	20	13	7	94	54
Daly City	0.273	0.445	0.718	32,167	1.2%	1,039	598	0.9%	0.9%	1,336	769	468	297	171	1,336	769
Gilroy	0.310	0.479	0.790	16,116	0.6%	359	207	0.3%	0.3%	669	385	488	310	178	669	385
Half Moon Bay	0.207	0.562	0.768	4,363	0.2%	93	54	0.1%	0.1%	181	104	138	88	50	181	104
Healdsburg	0.346	0.454	0.800	4,576	0.2%	78	45	0.1%	0.1%	190	109	176	112	64	190	109
Hercules	0.208	0.571	0.779	8,278	0.3%	179	104	0.2%	0.2%	344	198	259	165	94	344	198
Hillsborough	0.198	0.847	1.045	3,733	0.1%	153	88	0.1%	0.1%	155	89	3	2	1	155	89
Livermore	0.133	0.579	0.712	31,696	1.2%	1,240	714	1.1%	1.1%	1,317	758	121	77	44	1,317	758
Mill Valley	0.455	0.659	1.115	6,298	0.2%	252	144	0.2%	0.2%	262	151	17	10	7	262	151
Monte Sereno	0.278	0.811	1.090	1,265	0.0%	51	30	0.0%	0.0%	53	30	2	2	0	53	30
Pleasant Hill	0.149	0.550	0.699	13,626	0.5%	451	261	0.4%	0.4%	566	326	180	115	65	566	326
Portola Valley	0.387	0.735	1.122	1,768	0.1%	70	40	0.1%	0.1%	73	42	5	3	2	73	42
Ross	0.607	0.765	1.372	826	0.0%	33	19	0.0%	0.0%	34	20	2	1	1	34	20
St. Helena	0.338	0.401	0.739	2,477	0.1%	43	24	0.0%	0.0%	103	59	95	60	35	103	59
Unincorporated Marin	0.292	0.577	0.869	26,491	1.0%	1,063	611	0.9%	0.9%	1,100	634	60	37	23	1,100	634
Unincorporated Napa	0.256	0.521	0.777	8,889	0.3%	210	121	0.2%	0.2%	369	213	251	159	92	369	213
Union City	0.233	0.525	0.758	20,751	0.8%	582	335	0.5%	0.5%	862	496	441	280	161	862	496
Windsor	0.264	0.500	0.763	9,272	0.3%	168	97	0.1%	0.1%	385	222	342	217	125	385	222

Equity Adjustment	STEP 1: IDENTIFY JURISDICTIONS EXHIBITING RACIAL AND ECONOMIC EXCLUSION			STEP 2: COMPARE JURISDICTION'S LOWER-INCOME ALLOCATION FROM FACTORS/WEIGHTS TO LOWER-INCOME ALLOCATION NEEDED TO BE PROPORTIONAL TO JURISDICTION'S SHARE OF 2020 HOUSEHOLDS						STEP 2 (CONTINUED):		STEP 3: IDENTIFY CHANGE IN UNITS BY INCOME CATEGORY[2]			STEP 4: FINAL VERY LOW- AND LOW-INCOME ALLOCATIONS	
				2020 HOUSEHOLDS		UNMODIFIED ALLOCATION FROM FACTORS/WEIGHTS									BEGINNING ALLOCATION PLUS EQUITY ADJUSTMENT	
	DIVERGENCE INDEX SCORE	SHARE OF HOUSEHOLDS ABOVE 120% AMI	EQUITY ADJUSTMENT COMPOSITE SCORE[1]	TOTAL	SHARE OF REGION	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME SHARE	LOW-INCOME SHARE	HYPOTHETICAL VERY LOW-INCOME PROPORTIONAL	HYPOTHETICAL LOW-INCOME PROPORTIONAL	TOTAL	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME UNITS	LOW-INCOME UNITS
More Exclusionary - Not Subject to Adjustment (the more exclusionary jurisdictions whose allocations based on factors/weights										already meet the equity adjustment's proportionality threshold)						
Belmont	0.104	0.627	0.731	10,516	0.4%	488	281	0.4%	0.4%	437	252	-	-	-	488	281
Belvedere	0.611	0.709	1.320	933	0.0%	49	28	0.0%	0.0%	39	22	-	-	-	49	28
Clayton	0.287	0.691	0.978	4,005	0.1%	170	97	0.1%	0.1%	166	96	-	-	-	170	97
Corte Madera	0.360	0.665	1.026	4,066	0.1%	213	123	0.2%	0.2%	169	97	-	-	-	213	123
Cupertino	0.432	0.700	1.132	19,998	0.7%	1,193	687	1.0%	1.0%	831	478	-	-	-	1,193	687
Danville	0.298	0.694	0.992	15,474	0.6%	652	376	0.6%	0.6%	643	370	-	-	-	652	376
Dublin	0.110	0.705	0.815	22,021	0.8%	1,085	625	0.9%	0.9%	915	527	-	-	-	1,085	625
Fairfax	0.409	0.536	0.946	3,294	0.1%	149	86	0.1%	0.1%	137	79	-	-	-	149	86
Foster City	0.150	0.702	0.852	12,449	0.5%	520	299	0.5%	0.5%	517	298	-	-	-	520	299
Fremont	0.243	0.627	0.871	74,488	2.7%	3,640	2,096	3.2%	3.2%	3,094	1,782	-	-	-	3,640	2,096
Lafayette	0.274	0.661	0.936	9,503	0.3%	599	344	0.5%	0.5%	395	227	-	-	-	599	344
Larkspur	0.399	0.514	0.913	5,954	0.2%	291	168	0.3%	0.3%	247	142	-	-	-	291	168
Los Altos	0.213	0.767	0.980	11,114	0.4%	501	288	0.4%	0.4%	462	266	-	-	-	501	288
Los Altos Hills	0.215	0.837	1.053	2,915	0.1%	125	72	0.1%	0.1%	121	70	-	-	-	125	72
Los Gatos	0.225	0.617	0.842	12,821	0.5%	537	310	0.5%	0.5%	533	307	-	-	-	537	310
Menlo Park	0.093	0.625	0.718	13,076	0.5%	740	426	0.6%	0.6%	543	313	-	-	-	740	426
Millbrae	0.148	0.577	0.725	8,124	0.3%	575	331	0.5%	0.5%	337	194	-	-	-	575	331
Milpitas	0.397	0.600	0.997	21,814	0.8%	1,685	970	1.5%	1.5%	906	522	-	-	-	1,685	970

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| | | | | 2020 HOUSEHOLDS | | UNMODIFIED ALLOCATION FROM FACTORS/WEIGHTS | | | | | | | | | BEGINNING ALLOCATION PLUS EQUITY ADJUSTMENT | |
	DIVERGENCE INDEX SCORE	SHARE OF HOUSEHOLDS ABOVE 120% AMI	EQUITY ADJUSTMENT COMPOSITE SCORE[1]	TOTAL	SHARE OF REGION	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME SHARE	LOW-INCOME SHARE	HYPOTHETICAL VERY LOW-INCOME PROPORTIONAL	HYPOTHETICAL LOW-INCOME PROPORTIONAL	TOTAL	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME UNITS	LOW-INCOME UNITS
Moraga	0.220	0.667	0.887	5,703	0.2%	318	183	0.3%	0.3%	237	136	-	-	-	318	183
Orinda	0.260	0.761	1.021	6,789	0.2%	372	215	0.3%	0.3%	282	162	-	-	-	372	215
Palo Alto	0.154	0.649	0.804	27,667	1.0%	1,556	896	1.4%	1.4%	1,149	662	-	-	-	1,556	896
Piedmont	0.275	0.799	1.074	3,910	0.1%	163	94	0.1%	0.1%	162	94	-	-	-	163	94
Pleasanton	0.098	0.674	0.773	27,283	1.0%	1,750	1,008	1.5%	1.5%	1,133	653	-	-	-	1,750	1,008
San Anselmo	0.501	0.610	1.110	5,318	0.2%	253	145	0.2%	0.2%	221	127	-	-	-	253	145
San Carlos	0.212	0.686	0.898	11,702	0.4%	739	425	0.6%	0.6%	486	280	-	-	-	739	425
San Ramon	0.151	0.696	0.847	28,004	1.0%	1,497	862	1.3%	1.3%	1,163	670	-	-	-	1,497	862
Saratoga	0.267	0.710	0.977	10,800	0.4%	454	261	0.4%	0.4%	449	258	-	-	-	454	261
Sausalito	0.494	0.570	1.064	4,142	0.2%	200	115	0.2%	0.2%	172	99	-	-	-	200	115
Sunnyvale	0.101	0.618	0.719	57,888	2.1%	2,968	1,709	2.6%	2.6%	2,405	1,385	-	-	-	2,968	1,709
Tiburon	0.447	0.675	1.122	3,893	0.1%	193	110	0.2%	0.2%	162	93	-	-	-	193	110
Woodside	0.382	0.754	1.136	2,034	0.1%	90	52	0.1%	0.1%	84	49	-	-	-	90	52
Other Jurisdictions (the jurisdictions not identified as exclusionary whose lower-income allocations are shifted to the group of more exclusionary jurisdictions whose allocations need to be increased)																
Alameda	0.047	0.490	0.537	31,829	1.2%	1,455	837	1.3%	1.3%	1,322	761	-53	-34	-19	1,421	818
Albany	0.065	0.444	0.509	6,434	0.2%	315	182	0.3%	0.3%	267	154	-11	-7	-4	308	178
American Canyon	0.065	0.489	0.553	5,967	0.2%	115	67	0.1%	0.1%	248	143	-5	-3	-2	112	65
Antioch	0.193	0.347	0.540	34,096	1.2%	811	467	0.7%	0.7%	1,416	815	-30	-19	-11	792	456
Benicia	0.145	0.491	0.636	10,821	0.4%	208	120	0.2%	0.2%	450	259	-8	-5	-3	203	117

APPENDIX 3

Equity Adjustment	STEP 1: IDENTIFY JURISDICTIONS EXHIBITING RACIAL AND ECONOMIC EXCLUSION			STEP 2: COMPARE JURISDICTION'S LOWER-INCOME ALLOCATION FROM FACTORS/WEIGHTS TO LOWER-INCOME ALLOCATION NEEDED TO BE PROPORTIONAL TO JURISDICTION'S SHARE OF 2020 HOUSEHOLDS						STEP 2 (CONTINUED):		STEP 3: IDENTIFY CHANGE IN UNITS BY INCOME CATEGORY[2]			STEP 4: FINAL VERY LOW- AND LOW-INCOME ALLOCATIONS	
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Berkeley	0.075	0.439	0.514	47,718	1.7%	2,504	1,441	2.2%	2.2%	1,982	1,141	-91	-58	-33	2,446	1,408
Brentwood	0.084	0.522	0.606	20,067	0.7%	411	237	0.4%	0.4%	834	480	-14	-9	-5	402	232
Brisbane	0.009	0.536	0.545	1,890	0.1%	324	187	0.3%	0.3%	79	45	-11	-7	-4	317	183
Burlingame	0.082	0.595	0.677	12,386	0.4%	883	509	0.8%	0.8%	515	296	-32	-20	-12	863	497
Calistoga	0.280	0.322	0.602	2,067	0.1%	32	19	0.0%	0.0%	86	49	-1	-1	0	31	19
Campbell	0.041	0.572	0.613	16,855	0.6%	770	444	0.7%	0.7%	700	403	-28	-18	-10	752	434
Cloverdale	0.228	0.336	0.564	3,328	0.1%	76	44	0.1%	0.1%	138	80	-3	-2	-1	74	43
Colma	0.090	0.470	0.560	499	0.0%	45	26	0.0%	0.0%	21	12	-2	-1	-1	44	25
Concord	0.074	0.397	0.471	45,297	1.6%	1,322	762	1.2%	1.2%	1,882	1,083	-48	-30	-18	1,292	744
Cotati	0.295	0.341	0.636	3,002	0.1%	61	35	0.1%	0.1%	125	72	-2	-1	-1	60	34
Dixon	0.213	0.335	0.548	6,412	0.2%	93	54	0.1%	0.1%	266	153	-3	-2	-1	91	53
East Palo Alto*	0.452	0.337	0.789	7,274	0.3%	169	97	0.1%	0.1%	302	174	-6	-4	-2	165	95
El Cerrito	0.059	0.501	0.561	10,332	0.4%	342	197	0.3%	0.3%	429	247	-13	-8	-5	334	192
Emeryville	0.084	0.505	0.589	6,667	0.2%	462	265	0.4%	0.4%	277	159	-17	-11	-6	451	259
Fairfield	0.074	0.391	0.465	38,288	1.4%	796	458	0.7%	0.7%	1,591	916	-29	-18	-11	778	447
Hayward	0.147	0.383	0.530	48,286	1.8%	1,100	632	1.0%	1.0%	2,006	1,155	-40	-25	-15	1,075	617
Martinez	0.161	0.516	0.677	14,339	0.5%	358	206	0.3%	0.3%	596	343	-13	-8	-5	350	201
Morgan Hill	0.097	0.560	0.657	14,688	0.5%	268	155	0.2%	0.2%	610	351	-10	-6	-4	262	151
Mountain View	0.038	0.609	0.647	34,445	1.3%	2,838	1,635	2.5%	2.5%	1,431	824	-103	-65	-38	2,773	1,597

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| | | | | 2020 HOUSEHOLDS | | UNMODIFIED ALLOCATION FROM FACTORS/WEIGHTS | | | | | | | | | BEGINNING ALLOCATION PLUS EQUITY ADJUSTMENT | |
	DIVERGENCE INDEX SCORE	SHARE OF HOUSEHOLDS ABOVE 120% AMI	EQUITY ADJUSTMENT COMPOSITE SCORE[1]	TOTAL	SHARE OF REGION	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME SHARE	LOW-INCOME SHARE	HYPOTHETICAL VERY LOW-INCOME PROPORTIONAL	HYPOTHETICAL LOW-INCOME PROPORTIONAL	TOTAL	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME UNITS	LOW-INCOME UNITS
Napa	0.271	0.393	0.664	28,655	1.0%	516	298	0.5%	0.5%	1,190	685	-19	-12	-7	504	291
Newark	0.061	0.547	0.608	14,304	0.5%	475	274	0.4%	0.4%	594	342	-17	-11	-6	464	268
Novato	0.184	0.482	0.666	20,606	0.7%	583	336	0.5%	0.5%	856	493	-21	-13	-8	570	328
Oakland	0.189	0.352	0.541	164,296	6.0%	6,665	3,838	5.8%	5.8%	6,825	3,930	-242	-154	-88	6,511	3,750
Oakley	0.143	0.483	0.626	12,363	0.4%	286	165	0.2%	0.3%	514	296	-11	-7	-4	279	161
Pacifica	0.049	0.573	0.622	13,774	0.5%	551	317	0.5%	0.5%	572	329	-20	-13	-7	538	310
Petaluma	0.259	0.435	0.694	23,027	0.8%	511	295	0.4%	0.4%	957	551	-19	-12	-7	499	288
Pinole	0.029	0.457	0.486	6,907	0.3%	124	71	0.1%	0.1%	287	165	-5	-3	-2	121	69
Pittsburg	0.216	0.325	0.540	22,067	0.8%	518	298	0.5%	0.5%	917	528	-19	-12	-7	506	291
Redwood City	0.084	0.543	0.628	30,346	1.1%	1,141	658	1.0%	1.0%	1,261	726	-41	-26	-15	1,115	643
Richmond	0.248	0.287	0.535	37,271	1.4%	860	496	0.8%	0.8%	1,548	891	-31	-20	-11	840	485
Rio Vista	0.307	0.301	0.608	4,715	0.2%	130	75	0.1%	0.1%	196	113	-5	-3	-2	127	73
Rohnert Park	0.180	0.277	0.457	16,722	0.6%	408	235	0.4%	0.4%	695	400	-14	-9	-5	399	230
San Bruno	0.046	0.511	0.556	15,573	0.6%	721	415	0.6%	0.6%	647	372	-27	-17	-10	704	405
San Francisco	0.029	0.517	0.546	373,404	13.6%	21,359	12,294	18.7%	18.7%	15,511	8,931	-772	-492	-280	20,867	12,014
San Jose	0.066	0.519	0.585	324,692	11.8%	15,444	8,892	13.5%	13.5%	13,488	7,766	-561	-356	-205	15,088	8,687
San Leandro	0.070	0.361	0.431	30,476	1.1%	882	507	0.8%	0.8%	1,266	729	-32	-20	-12	862	495
San Mateo	0.021	0.559	0.580	38,872	1.4%	1,819	1,047	1.6%	1.6%	1,615	930	-66	-42	-24	1,777	1,023
San Pablo	0.434	0.161	0.595	9,088	0.3%	177	102	0.2%	0.2%	378	217	-6	-4	-2	173	100

Equity Adjustment	STEP 1: IDENTIFY JURISDICTIONS EXHIBITING RACIAL AND ECONOMIC EXCLUSION			STEP 2: COMPARE JURISDICTION'S LOWER-INCOME ALLOCATION FROM FACTORS/WEIGHTS TO LOWER-INCOME ALLOCATION NEEDED TO BE PROPORTIONAL TO JURISDICTION'S SHARE OF 2020 HOUSEHOLDS						STEP 2 (CONTINUED):		STEP 3: IDENTIFY CHANGE IN UNITS BY INCOME CATEGORY[2]			STEP 4: FINAL VERY LOW- AND LOW-INCOME ALLOCATIONS	
				2020 HOUSEHOLDS		UNMODIFIED ALLOCATION FROM FACTORS/WEIGHTS									BEGINNING ALLOCATION PLUS EQUITY ADJUSTMENT	
	DIVERGENCE INDEX SCORE	SHARE OF HOUSEHOLDS ABOVE 120% AMI	EQUITY ADJUSTMENT COMPOSITE SCORE[1]	TOTAL	SHARE OF REGION	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME SHARE	LOW-INCOME SHARE	HYPOTHETICAL VERY LOW-INCOME PROPORTIONAL	HYPOTHETICAL LOW-INCOME PROPORTIONAL	TOTAL	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME UNITS	LOW-INCOME UNITS
San Rafael	0.175	0.462	0.637	23,154	0.8%	877	504	0.8%	0.8%	962	554	-32	-20	-12	857	492
Santa Clara	0.060	0.570	0.631	46,387	1.7%	2,940	1,692	2.6%	2.6%	1,927	1,109	-107	-68	-39	2,872	1,653
Santa Rosa	0.173	0.327	0.500	66,051	2.4%	1,247	718	1.1%	1.1%	2,744	1,580	-46	-29	-17	1,218	701
Sebastopol*	0.372	0.367	0.738	3,372	0.1%	56	32	0.0%	0.0%	140	81	-2	-1	-1	55	31
Sonoma*	0.378	0.390	0.768	5,030	0.2%	85	49	0.1%	0.1%	209	120	-3	-2	-1	83	48
South San Francisco	0.132	0.484	0.616	21,409	0.8%	892	514	0.8%	0.8%	889	512	-33	-21	-12	871	502
Suisun City	0.134	0.367	0.501	9,274	0.3%	160	92	0.1%	0.1%	385	222	-6	-4	-2	156	90
Unincorporated Alameda	0.034	0.431	0.465	48,899	1.8%	1,281	738	1.1%	1.1%	2,031	1,170	-47	-30	-17	1,251	721
Unincorporated Contra Costa	0.056	0.484	0.540	60,527	2.2%	2,131	1,227	1.9%	1.9%	2,514	1,448	-77	-49	-28	2,082	1,199
Unincorporated San Mateo	0.101	0.585	0.686	21,461	0.8%	830	479	0.7%	0.7%	892	513	-30	-19	-11	811	468
Unincorporated Santa Clara	0.063	0.542	0.604	26,299	1.0%	848	488	0.7%	0.7%	1,092	629	-31	-20	-11	828	477
Unincorporated Solano	0.177	0.445	0.623	6,843	0.2%	243	140	0.2%	0.2%	284	164	-9	-6	-3	237	137
Unincorporated Sonoma*	0.328	0.387	0.715	54,387	2.0%	1,060	610	0.9%	0.9%	2,259	1,301	-38	-24	-14	1,036	596
Vacaville	0.114	0.393	0.507	33,985	1.2%	498	286	0.4%	0.4%	1,412	813	-18	-11	-7	487	279

Equity Adjustment	STEP 1: IDENTIFY JURISDICTIONS EXHIBITING RACIAL AND ECONOMIC EXCLUSION			STEP 2: COMPARE JURISDICTION'S LOWER-INCOME ALLOCATION FROM FACTORS/WEIGHTS TO LOWER-INCOME ALLOCATION NEEDED TO BE PROPORTIONAL TO JURISDICTION'S SHARE OF 2020 HOUSEHOLDS						STEP 2 (CONTINUED):		STEP 3: IDENTIFY CHANGE IN UNITS BY INCOME CATEGORY[2]			STEP 4: FINAL VERY LOW- AND LOW-INCOME ALLOCATIONS	
				2020 HOUSEHOLDS		UNMODIFIED ALLOCATION FROM FACTORS/WEIGHTS									BEGINNING ALLOCATION PLUS EQUITY ADJUSTMENT	
	DIVERGENCE INDEX SCORE	SHARE OF HOUSEHOLDS ABOVE 120% AMI	EQUITY ADJUSTMENT COMPOSITE SCORE[1]	TOTAL	SHARE OF REGION	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME SHARE	LOW-INCOME SHARE	HYPOTHETICAL VERY LOW-INCOME PROPORTIONAL	HYPOTHETICAL LOW-INCOME PROPORTIONAL	TOTAL	VERY LOW-INCOME UNITS	LOW-INCOME UNITS	VERY LOW-INCOME UNITS	LOW-INCOME UNITS
Vallejo	0.148	0.298	0.446	41,764	1.5%	741	426	0.6%	0.6%	1,735	999	-27	-17	-10	724	416
Walnut Creek	0.191	0.490	0.681	32,363	1.2%	1,696	976	1.5%	1.5%	1,344	774	-61	-39	-22	1,657	954
Yountville*[3]	0.396	0.328	0.724	1,030	0.0%	19	11	0.0%	0.0%	43	25	0	0	0	19	11

* These jurisdictions were excluded from being subject to the equity adjustment because they had average incomes in the bottom quartile for the region.

[1] Bay Area Median Composite Score: 0.694

[2] Total units to shift from 60 least exclusive jurisdictions to 18 jurisdictions subject to equity adjustment: 3,068 units

[3] The proportional reduction in Yountville's allocation of lower-income units was less than a unit, so the equity adjustment did not affect its final allocation.

Some totals may differ +/- 2 units compared to information presented to the ABAG Executive Board in January 2021 as a result of corrections to fix rounding errors in the January materials.

APPENDIX 4

Illustrative Allocations from the Draft RHNA Methodology

This table shows jurisdiction allocations from the draft RHNA methodology. These are shown for illustrative purposes only.

Following HCD's review of the draft RHNA methodology, ABAG will use the state agency's feedback to develop a final methodology and issue draft allocations in Spring 2021. This will be followed by an appeal period before ABAG issues Final Allocations by the end of 2021. Jurisdiction Housing Elements will be due to HCD by January 2023.

Jurisdiction	VERY LOW INCOME (<50% of Area Median Income)	LOW INCOME (50-80% of Area Median Income)	MODERATE INCOME (80-120% of Area Median Income)	ABOVE MODERATE INCOME (>120% of Area Median Income)	TOTAL
ALAMEDA COUNTY					
Alameda	1,421	818	868	2,246	5,353
Albany	308	178	175	453	1,114
Berkeley	2,446	1,408	1,416	3,664	8,934
Dublin	1,085	625	560	1,449	3,719
Emeryville	451	259	308	797	1,815
Fremont	3,640	2,096	1,996	5,165	12,897
Hayward	1,075	617	817	2,115	4,624
Livermore	1,317	758	696	1,799	4,570
Newark	464	268	318	824	1,874
Oakland	6,511	3,750	4,457	11,533	26,251
Piedmont	163	94	92	238	587
Pleasanton	1,750	1,008	894	2,313	5,965
San Leandro	862	495	696	1,802	3,855
Unincorporated Alameda County	1,251	721	763	1,976	4,711
Union City	862	496	382	988	2,728

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Jurisdiction	VERY LOW INCOME (<50% of Area Median Income)	LOW INCOME (50-80% of Area Median Income)	MODERATE INCOME (80-120% of Area Median Income)	ABOVE MODERATE INCOME (>120% of Area Median Income)	TOTAL
CONTRA COSTA COUNTY					
Antioch	792	456	493	1,275	3,016
Brentwood	402	232	247	641	1,522
Clayton	170	97	84	219	570
Concord	1,292	744	847	2,190	5,073
Danville	652	376	338	875	2,241
El Cerrito	334	192	241	624	1,391
Hercules	344	198	126	327	995
Lafayette	599	344	326	845	2,114
Martinez	350	201	221	573	1,345
Moraga	318	183	172	445	1,118
Oakley	279	161	172	446	1,058
Orinda	372	215	215	557	1,359
Pinole	121	69	87	223	500
Pittsburg	506	291	340	880	2,017
Pleasant Hill	566	326	254	657	1,803
Richmond	840	485	638	1,651	3,614
San Pablo	173	100	132	341	746
San Ramon	1,497	862	767	1,985	5,111
Unincorporated Contra Costa	2,082	1,199	1,217	3,147	7,645
Walnut Creek	1,657	954	890	2,304	5,805

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Jurisdiction	VERY LOW INCOME (<50% of Area Median Income)	LOW INCOME (50-80% of Area Median Income)	MODERATE INCOME (80-120% of Area Median Income)	ABOVE MODERATE INCOME (>120% of Area Median Income)	TOTAL
MARIN COUNTY					
Belvedere	49	28	23	60	160
Corte Madera	213	123	108	281	725
Fairfax	149	86	71	184	490
Larkspur	291	168	145	375	979
Mill Valley	262	151	126	326	865
Novato	570	328	332	860	2,090
Ross	34	20	16	41	111
San Anselmo	253	145	121	314	833
San Rafael	857	492	521	1,350	3,220
Sausalito	200	115	114	295	724
Tiburon	193	110	93	243	639
Unincorporated Marin	1,100	634	512	1,323	3,569
NAPA COUNTY					
American Canyon	112	65	75	194	446
Calistoga	31	19	19	50	119
Napa	504	291	319	825	1,939
St. Helena	103	59	26	66	254
Unincorporated Napa	369	213	120	312	1,014
Yountville	19	11	12	30	72
SAN FRANCISCO COUNTY					
San Francisco (city)	20,867	12,014	13,717	35,471	82,069

Jurisdiction	VERY LOW INCOME (<50% of Area Median Income)	LOW INCOME (50-80% of Area Median Income)	MODERATE INCOME (80-120% of Area Median Income)	ABOVE MODERATE INCOME (>120% of Area Median Income)	TOTAL
SAN MATEO COUNTY					
Atherton	94	54	56	144	348
Belmont	488	281	283	733	1,785
Brisbane	317	183	303	785	1,588
Burlingame	863	497	529	1,368	3,257
Colma	44	25	37	96	202
Daly City	1,336	769	762	1,971	4,838
East Palo Alto	165	95	159	410	829
Foster City	520	299	300	777	1,896
Half Moon Bay	181	104	54	141	480
Hillsborough	155	89	87	223	554
Menlo Park	740	426	496	1,284	2,946
Millbrae	575	331	361	932	2,199
Pacifica	538	310	291	753	1,892
Portola Valley	73	42	39	99	253
Redwood City	1,115	643	789	2,041	4,588
San Bruno	704	405	573	1,483	3,165
San Carlos	739	425	438	1,133	2,735
San Mateo	1,777	1,023	1,175	3,040	7,015
South San Francisco	871	502	720	1,863	3,956
Unincorporated San Mateo	811	468	433	1,121	2,833
Woodside	90	52	52	134	328

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Jurisdiction	VERY LOW INCOME (<50% of Area Median Income)	LOW INCOME (50-80% of Area Median Income)	MODERATE INCOME (80-120% of Area Median Income)	ABOVE MODERATE INCOME (>120% of Area Median Income)	TOTAL
SANTA CLARA COUNTY					
Campbell	752	434	499	1,292	2,977
Cupertino	1,193	687	755	1,953	4,588
Gilroy	669	385	200	519	1,773
Los Altos	501	288	326	843	1,958
Los Altos Hills	125	72	82	210	489
Los Gatos	537	310	320	826	1,993
Milpitas	1,685	970	1,131	2,927	6,713
Monte Sereno	53	30	31	79	193
Morgan Hill	262	151	174	450	1,037
Mountain View	2,773	1,597	1,885	4,880	11,135
Palo Alto	1,556	896	1,013	2,621	6,086
San Jose	15,088	8,687	10,711	27,714	62,200
Santa Clara	2,872	1,653	1,981	5,126	11,632
Saratoga	454	261	278	719	1,712
Sunnyvale	2,968	1,709	2,032	5,257	11,966
Unincorporated Santa Clara	828	477	508	1,312	3,125

Jurisdiction	VERY LOW INCOME (<50% of Area Median Income)	LOW INCOME (50-80% of Area Median Income)	MODERATE INCOME (80-120% of Area Median Income)	ABOVE MODERATE INCOME (>120% of Area Median Income)	TOTAL
SOLANO COUNTY					
Benicia	203	117	135	351	806
Dixon	91	53	57	146	347
Fairfield	778	447	508	1,314	3,047
Rio Vista	127	73	76	197	473
Suisun City	156	90	101	264	611
Unincorporated Solano	237	137	149	385	908
Vacaville	487	279	305	791	1,862
Vallejo	724	416	501	1,297	2,938
SONOMA COUNTY					
Cloverdale	74	43	45	116	278
Cotati	60	34	39	101	234
Healdsburg	190	109	49	128	476
Petaluma	499	288	313	810	1,910
Rohnert Park	399	230	265	686	1,580
Santa Rosa	1,218	701	771	1,995	4,685
Sebastopol	55	31	35	92	213
Sonoma	83	48	50	130	311
Unincorporated Sonoma	1,036	596	627	1,622	3,881
Windsor	385	222	108	279	994
TOTAL	**114,442**	**65,892**	**72,712**	**188,130**	**441,176**

Some totals may differ +/- 2 units compared to information presented to the ABAG Executive Board in January 2021 as a result of corrections to fix rounding errors in the January materials.

APPENDIX 5

Summary of Local Jurisdiction Survey Results

This appendix provides information from reports presented to the Housing Methodology Committee (HMC) in March and April 2020. These reports summarized responses to the Local Jurisdiction Survey, and these summaries intended to inform the HMC's development of the RHNA methodology. Though the HMC has concluded its work, this appendix makes reference to factors that the HMC could consider for the methodology, as the HMC was beginning to develop the RHNA methodology when the Local Jurisdiction Survey summary reports were completed.

OVERVIEW OF SURVEY PROCESS

Housing Element Law requires each Council of Government (COG) to survey its member jurisdictions during the Regional Housing Needs Allocation (RHNA) process to gather information on factors that must be considered for inclusion in the methodology.[1] Recent legislation also requires ABAG to collect information on jurisdictions' fair housing issues and strategies for achieving fair housing goals.[2] ABAG staff presented the Housing Methodology Committee with a draft of the survey in November 2019. Staff revised the survey to incorporate feedback from HMC members, local jurisdiction staff, and other stakeholders, and the ABAG Regional Planning Committee approved the survey in December 2019. The survey became available online on January 8, 2020. A survey link was emailed to city managers, county administrators, community development and planning directors, and housing staff in all 109 ABAG jurisdictions. The deadline for completing the survey was February 5, 2020, at

Table 1. Local jurisdiction survey response rate by county.

COUNTY	RESPONSES	RESPONSE RATE
Alameda	9	60%
Contra Costa	14	70%
Marin	8	73%
Napa	3	50%
San Francisco	1	100%
San Mateo	14	67%
Santa Clara	13	81%
Solano	4	50%
Sonoma	7	70%

which point ABAG received 72 responses, a response rate of 66%. Table 1 shows the response rates for each of the nine Bay Area counties.

SURVEY ORGANIZATION

The survey consisted of 53 questions in two sections. Section 1 included 36 questions related to the statutory housing and land use factors. These questions were divided into four topics: Relationship Between Jobs and Housing, Housing Opportunities and Constraints, Housing Affordability and Overcrowding, and Housing Demand. Section 2 included 14 questions that collected information on local jurisdictions' fair housing issues as well as strategies and actions for achieving fair housing goals. These questions were divided into three topics: Fair Housing Planning and Data Sources; Diversity/Segregation, Access to Opportunity, and Housing Needs; and Fair Housing Goals and Actions.

1 See State of California Government Code Section 65584.04(b)(1).
2 See State of California Government Code Section 65584.04(b)(2).

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In addition to surveying local jurisdictions on these topics, ABAG staff reviewed the fair housing reports that jurisdictions submit to the federal government if they receive block grant funding from the Department of Housing and Urban Development (HUD). Section 3 discusses common themes from Bay Area jurisdictions' fair housing reports.

SECTION 1: SUMMARY OF RESPONSES TO HOUSING AND LAND USE QUESTIONS

Topic 1: Relationship Between Jobs and Housing

The six questions in this topic area centered on jurisdictions' issues related to jobs-housing fit, which measures the relationship between a jurisdiction's low-wage jobs and homes affordable to low-wage workers. The first question presented each jurisdiction's jobs-housing fit ratio and included a data visualization comparing a jurisdiction's jobs-housing fit ratio to other jurisdictions throughout the region. Respondents were asked to reflect on the jobs-housing fit in their community using both their own perceptions and the data provided. Additionally, respondents had the opportunity to consider the impacts of this balance or imbalance, and they could comment on what strategies might be helpful for addressing issues related to an imbalance between low-wage workers and affordable housing.

Key Takeaways from Respondents' Comments

Suggestions for measuring jobs-housing fit: Several jurisdictions commented the rent threshold the survey used for units affordable to low-wage workers excludes many of the deed-restricted affordable units that currently exist in their

Figure 1. How would you rate the balance between low-wage jobs and the number of homes affordable to low-wage workers in your jurisdiction? (Question 2)
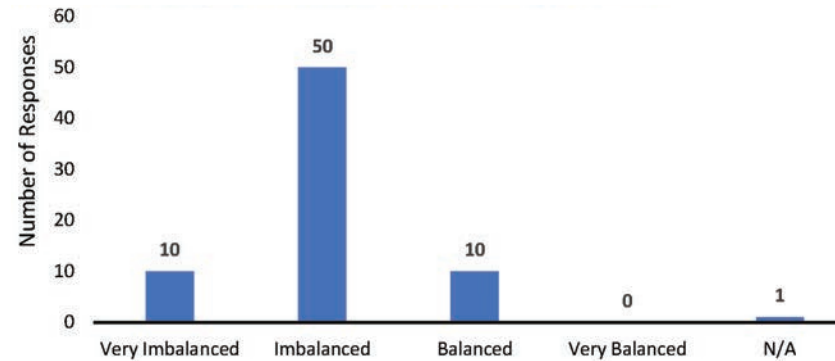
communities or are in the development pipeline. Multiple respondents provided data on the number of deed-restricted affordable units in their jurisdictions. It is worth noting that, for the jobs-housing fit factor presented to the HMC for the March 2020 meeting, the thresholds for low-wage jobs and low-cost rental units were set higher than the values used for the survey.[3] However, staff and the HMC will take these survey comments into account when deciding how to define the jobs-housing fit ratio and what data sources to use if this factor is selected for the RHNA methodology.

Imbalance between low-wage jobs and affordable housing in the region: 60 jurisdictions (85%) stated the ratio between low-wage jobs and affordable homes in their jurisdiction is imbalanced or very imbalanced, while only 10 (14%) indicated their jurisdiction is balanced (see Figure 1). Responses varied by county, as no jurisdictions in Marin, San Mateo, or Santa Clara Counties reported a balance in their jobs-housing fit ratios. These same counties also contained all of the

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3 For the proposed jobs-housing fit factor, the threshold for a low-wage job is set at $3,333 per month and low-cost rental units are defined as those renting for less than $1,500 per month.

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Figure 2. Which of the following impacts does the balance or imbalance of low-wage workers to homes affordable to low-wage workers have on your jurisdiction? (Question 4)
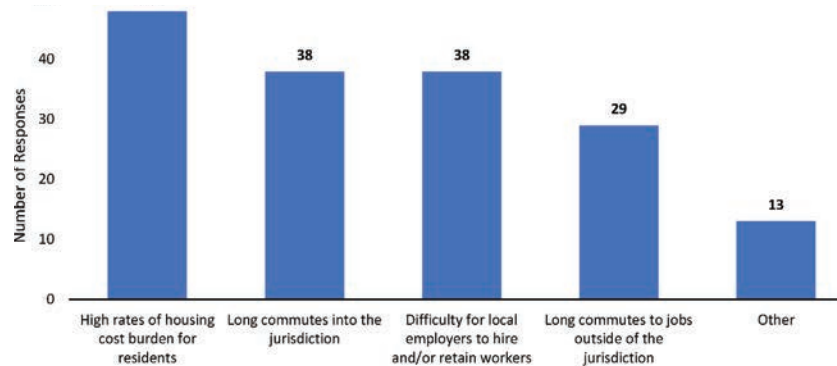
jurisdictions who stated their jobs-housing fit ratio is very imbalanced.

Reasons for imbalance in local jobs-housing fit ratio:
Respondents mentioned a lack of rental housing, state policy limiting deed restrictions for ADUs, high land prices, a lack of land available for development, and limited resources for producing affordable housing due to the end of redevelopment agencies as reasons for the jobs-housing fit imbalance. Multiple jurisdictions noted that, while their jobs-housing fit ratio suggested an imbalance, it was comparable to many other jurisdictions in the region, suggesting a broader regional problem. Lastly, some respondents noted potential for future improvements in their jobs-housing fit ratio based on recent rent stabilization policies, ongoing ADU production, or affordable housing units in the development pipeline.

Impacts of imbalance in local jobs-housing fit ratio:
Jurisdictions indicated that the most common impact of an imbalance between low-wage workers and affordable housing is high housing cost burden for residents (see Figure 2). The majority of respondents also noted impacts on employers and workers in their jurisdictions, with 38 respondents (53%) stating that the imbalance between low-wage workers and affordable housing results in long commutes into the jurisdiction and hinders employers' ability to hire or retain workers. Beyond the options listed on the survey, respondents wrote that displacement and overcrowding are also local issues related to an imbalance in jobs-housing fit.

Usefulness of jobs-housing fit data: 51% of respondents indicated their jurisdiction uses jobs-housing fit data to inform policy decisions, including:

- Updating Housing Elements, General Plans, and other long-range plans

- Revising land use policies, such as industrial zoning

- Approving development projects

- Recruiting new businesses

- Designing affordable housing policies such as inclusionary zoning, commercial linkage fees, and rent stabilization

Jurisdictions that do not use jobs-housing fit data explained why this data is not as relevant to their communities. Some noted a jobs-housing balance metric is more useful, particularly in communities where there is more housing relative to jobs. Others noted that more data collection is needed to examine jobs-housing fit issues in their jurisdiction. Lastly, some felt other data are more relevant for housing affordability issues, such as comparing overall housing cost

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Figure 3. If your jurisdiction experiences an imbalance in the jobs-housing fit for low-wage workers, which of the following policies, programs, or strategies would be most helpful for your jurisdiction to implement to help address this imbalance? (Question 6)
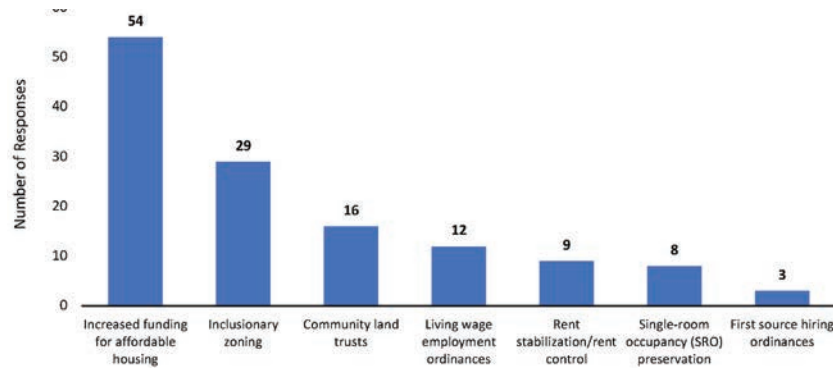
Figure 4. Which of the following apply to your jurisdiction as either an opportunity or a constraint for development of additional housing by 2030? (Question 7)
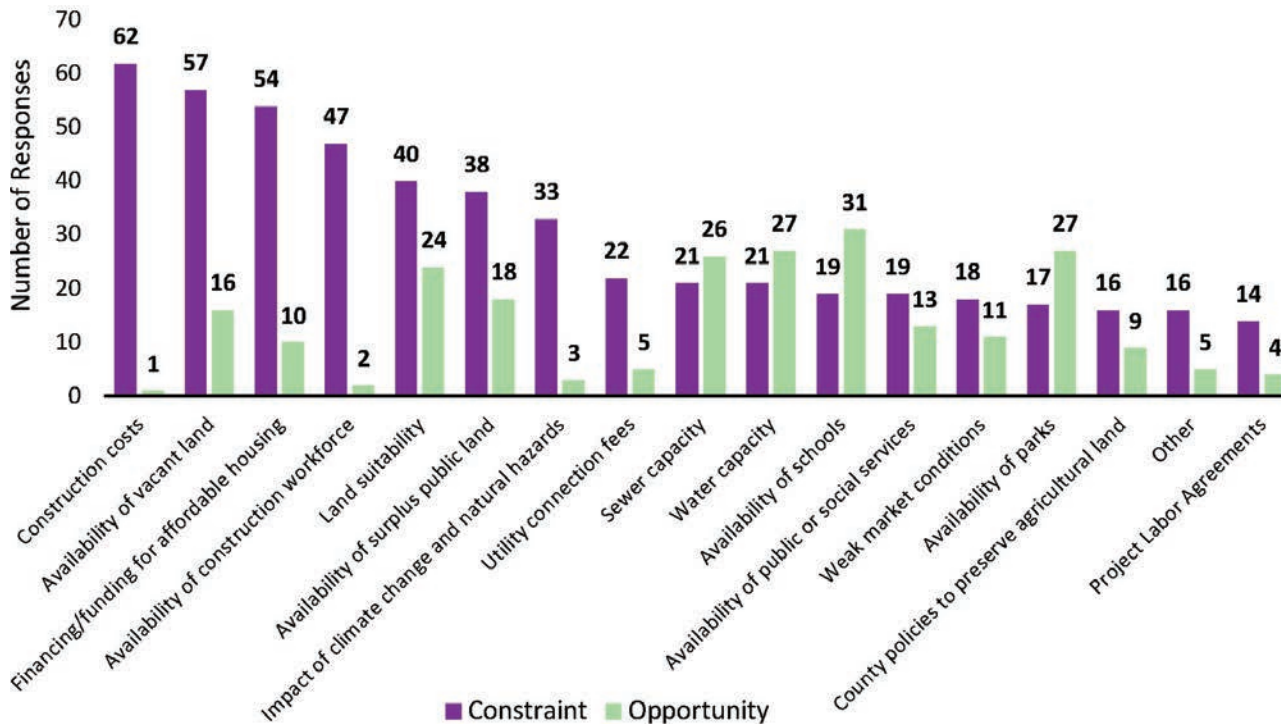
and wage data. The HMC can take these comments into account when considering jobs-housing fit as a factor in the RHNA methodology. The survey results indicate using jobs-housing fit as a RHNA factor would align with policymaking in many jurisdictions, but there are also other data sources that could potentially be a factor for the relationship between jobs, housing, and affordability.

Strategies for addressing jobs-housing fit imbalance:
Jurisdictions focused on policies to produce and preserve affordable housing to address a jobs-housing fit imbalance (see Figure 3). Increased funding for affordable housing received the most support from respondents (76%) followed by inclusionary zoning (41%) and community land trusts (23%). Beyond the options listed on the survey, jurisdictions commented that they support the following strategies:

- Policies to encourage production of ADUs and allow for rent-restrictions in ADUs

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- Increased housing density

- Policies to incentivize affordable housing production, such as density bonuses

- Funding to acquire and preserve affordable housing that currently exists on the market without subsidy

Topic 2: Relationship Between Jobs and Housing

The seven questions within this topic area focused on factors within jurisdictions that create opportunities or constraints for developing more housing. These questions also focus specifically on opportunities and constraints for encouraging jobs and housing near transit, developing housing near job centers, and minimizing greenhouse gas emissions.

Key Takeaways from Respondents' Comments

Opportunities and constraints for developing housing: Jurisdictions' constraints for developing new housing centered on issues related to costs and land. Nearly all respondents (87%) cited construction costs as a constraint (see Figure 4 on page A21). Other constraints reported by more than 50% of jurisdictions were the availability of vacant land, funding for affordable housing, availability of construction workforce, land suitability, and availability of surplus public land. There was less of a regional consensus around opportunities for developing housing, with no single factor being cited as an opportunity by most respondents. Factors considered to be opportunities related largely to infrastructure and community amenities, with the most common opportunities being the availability of schools, availability of parks, water capacity, and sewer capacity. These four factors were also the only factors listed more commonly as opportunities than as constraints.

Opportunities and constraints for encouraging housing near transit and jobs: 57 jurisdictions (80%) stated they encounter opportunities or constraints in encouraging jobs and housing near existing transportation infrastructure, while 50 (70%) reported having opportunities or constraints for encouraging housing near job centers. In their responses to these questions, jurisdictions reported a mix of both opportunities and constraints for developing housing near jobs and transit, with some respondents noting that both opportunities and constraints exist simultaneously in their jurisdictions. Jurisdictions in Alameda, Contra Costa, Marin, Napa, and San Mateo counties noted that specific plans for areas around bus and rail transit centers provide opportunities for greater density and mixed-use development near transportation infrastructure, which can encourage housing near jobs and transit. Similarly, jurisdictions in Santa Clara County discussed how rezoning efforts near job centers can create opportunities for more housing near jobs.

Some of the obstacles listed by jurisdictions echo what was mentioned in the previous questions related to opportunities and constraints for developing housing in general: limited vacant land, high construction costs, and construction labor shortage. Additionally, jurisdictions throughout the region stated that a lack of existing transit service prevents them from encouraging jobs and housing near public transportation infrastructure. Likewise, respondents across the region also noted that their jurisdictions lack job centers, which prevents them from locating housing near jobs. Lastly, some jurisdictions noted that while they do have job centers, the land near these jobs is not zoned to allow for residential construction.

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Figure 5. What land use policies or strategies has your jurisdiction implemented to minimize greenhouse gas emissions? (Question 13)
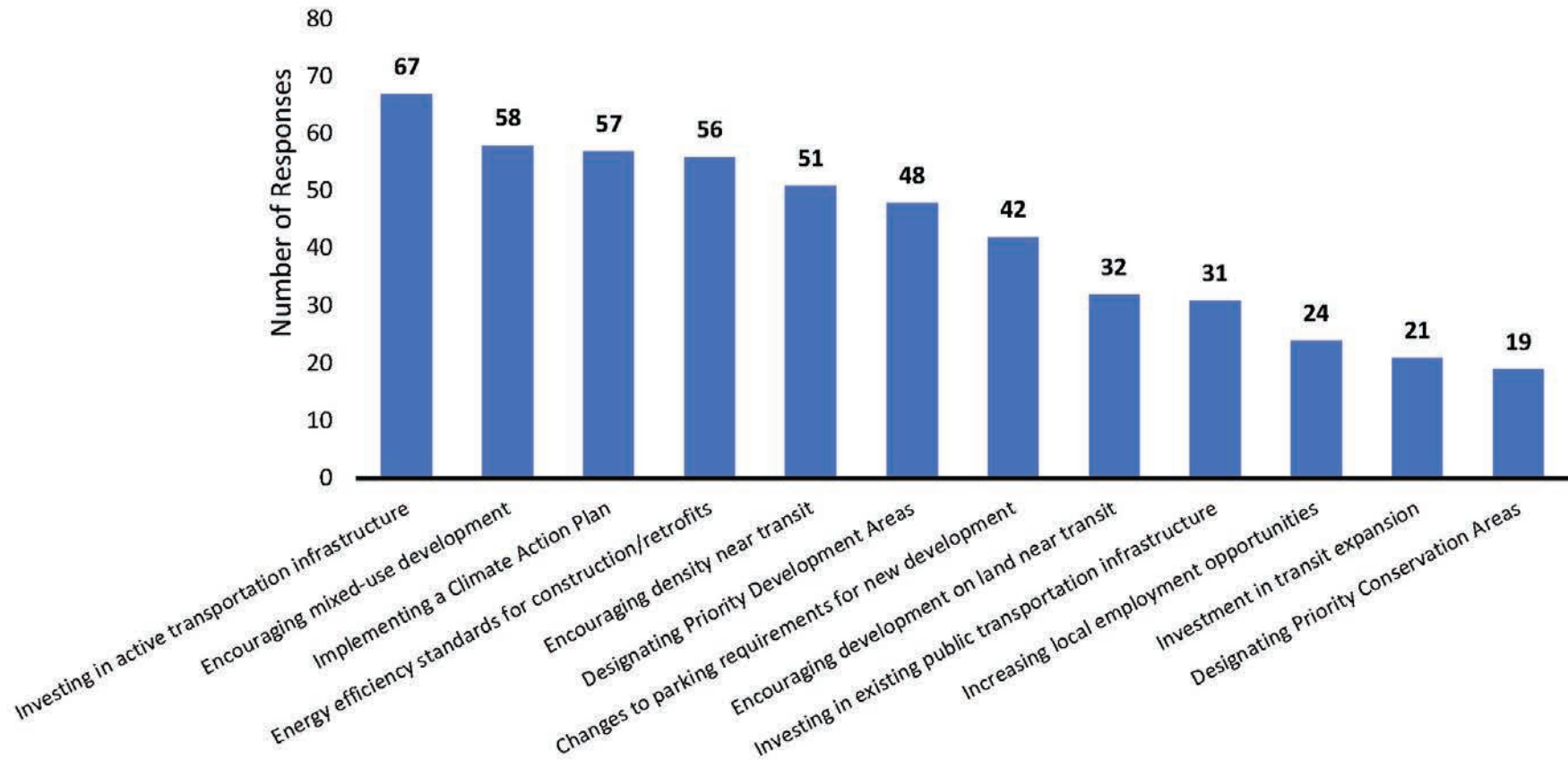
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Strategies for reducing greenhouse gas (GHG) emissions:
Seven of the policies listed in this question have been adopted by a majority of respondents. The most widespread strategy (94% of respondents) is investing in active transportation infrastructure to support biking and walking (see Figure 5 on page A23). Other popular strategies for reducing GHG emissions include encouraging mixed-use development and density near transit, adopting energy efficiency standards for new construction, designating Priority Development Areas, and changing parking requirements. This information could potentially assist staff and the HMC in designing a RHNA methodology that satisfies the statutory objective to encourage efficient development patterns and achieve GHG reduction targets.

Topic 3: Housing Affordability and Overcrowding
The eight questions within this topic area discussed issues jurisdictions face related to high housing costs, data jurisdictions use to assess these issues, and barriers that jurisdictions face in meeting their RHNA targets for lower-income households.

Key Takeaways from Respondents' Comments
Policymaking related to housing costs and overcrowding: 51 respondents (72%) have considered impacts of housing costs and high rates of rent burden[4] on residents. However, only 33 respondents (46%) stated they have considered the impacts of overcrowding on residents. Specifically, jurisdictions noted they examine issues related to housing costs and overcrowding when updating their Housing Elements,

completing Consolidated Planning processes required by HUD, and creating affordable housing policies such as inclusionary zoning and rent stabilization.

Data collection on housing costs and homelessness:
Jurisdictions largely rely on Census Bureau data (65 respondents, 92%) and online real estate databases, such as Zillow or Trulia (51 respondents, 72%), to examine housing costs (see Figure 6). 30% of jurisdictions reported

Figure 6. What data sources does your jurisdiction use to examine local trends in housing costs? (Question 16)
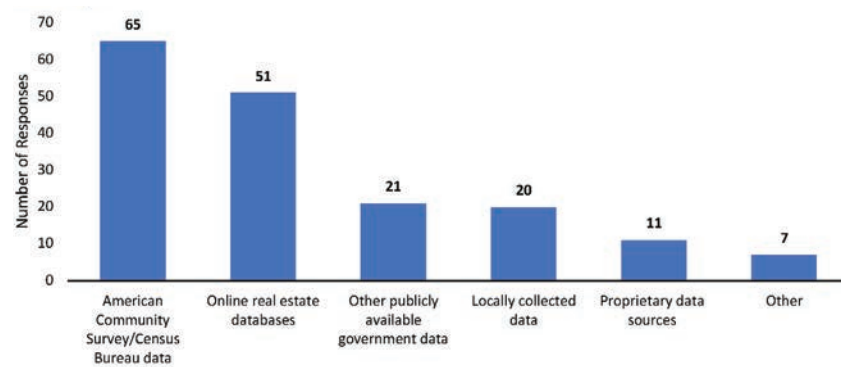
using publicly available data sources in addition to Census Bureau data, which included the county assessor's database, California Department of Finance data, HUD's CHAS dataset, and data provided by ABAG. Approximately 30% of respondents also reported using locally collected data such as building permit records, local rental registries, and local surveys of landlords, apartment communities, and first-time homebuyers. Lastly, about 15% of respondents use

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4 HUD defines households as rent-burdened if they spend more than 30% of their income on rent. For more information on this measure, see https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html.

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proprietary data sources to examine housing costs, which include products like CoStar, RealQuest, DataQuick, and Axiometrics.

The vast majority of respondents noted that housing costs in their jurisdiction are increasing. However, a few jurisdictions stated that prices have been stabilizing in the past year after increasing sharply in recent years, while two jurisdictions reported that rental prices declined in the past year. Also, a few jurisdictions stated that prices of for-sale homes have leveled off while rents continue to rise. In terms of data collection on homelessness, 40 respondents (56%) indicated their jurisdictions collect data on the occurrence of homelessness within their boundaries. Nearly all these jurisdictions noted their data collection on homelessness is a part of bi-annual countywide efforts related to the Point-in-Time counts required by HUD.

Barriers to meeting lower-income RHNA goals: The most common barriers to affordable housing production identified by survey respondents were gap financing and land availability. Both of these obstacles were selected by 50 respondents (70%), while no other barrier was selected by the majority of respondents

Figure 7. What are the primary barriers or gaps your jurisdiction faces in meeting its RHNA goals for producing housing affordable to very low- and low-income households? (Question 19)
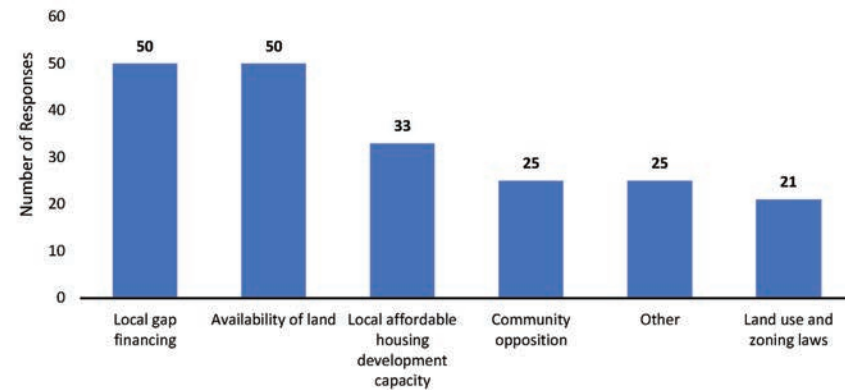
Figure 8. What types of support would your jurisdiction like to see the Bay Area Housing Finance Authority (BAHFA) provide to help your jurisdiction meet its RHNA goals and comply with the requirement to affirmatively further fair housing? (Question 21)

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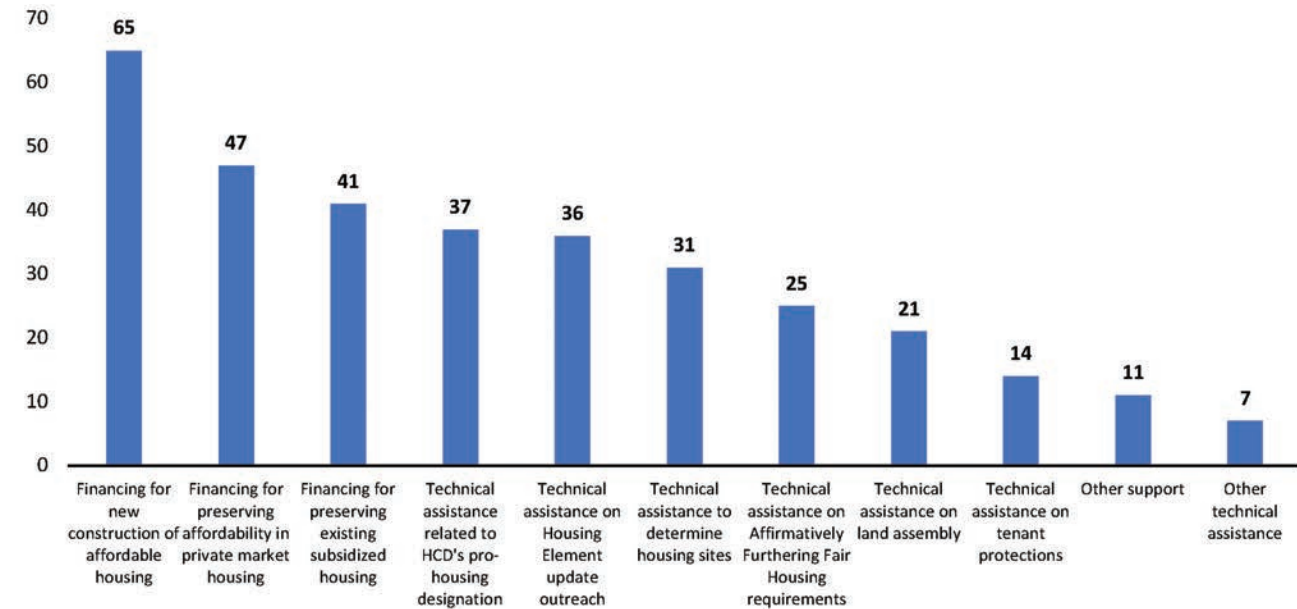
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(see Figure 7 on page A25). Other barriers identified by respondents were similar to factors mentioned in earlier questions related to obstacles to housing development generally, such as construction costs and high prices for land, materials, and labor. Respondents also mentioned a lack of funding and staff resources for the implementation of affordable housing programs, particularly due to the dissolution of redevelopment agencies.

Additionally, 20 respondents provided an estimate for how many affordable units could be built in their jurisdictions if ample gap financing was available. In total, these 20 jurisdictions estimated that 12,000 units of housing affordable to low- and very low-income households could be built if they had the necessary funding. Similarly, multiple jurisdictions stated that they would be able to accommodate their entire low- and very low-income RHNA if given the gap financing to enable construction of these affordable units. Jurisdictions' estimates for the funding needed to build these units ranged from $200,000 to $500,000 per unit.

Similarly, jurisdictions indicated financing for constructing new affordable housing was the support they would most desire from the Bay Area Housing Finance Authority, with 65 jurisdictions (92%) selecting this option (see Figure 8 on page A25). Financing for preservation of both subsidized affordable housing and affordable housing that exists on the market without subsidy were the next most popular options for financial support from BAHFA. Most jurisdictions also noted they would like technical assistance with complying with HCD's pro-housing designation and other state regulations, as well technical assistance for Housing Element outreach. ABAG staff may be able use the information provided from local

Figure 9. If your jurisdiction is not currently meeting the demand for farmworker housing, what are the main reasons for this unmet demand? (Question 24)
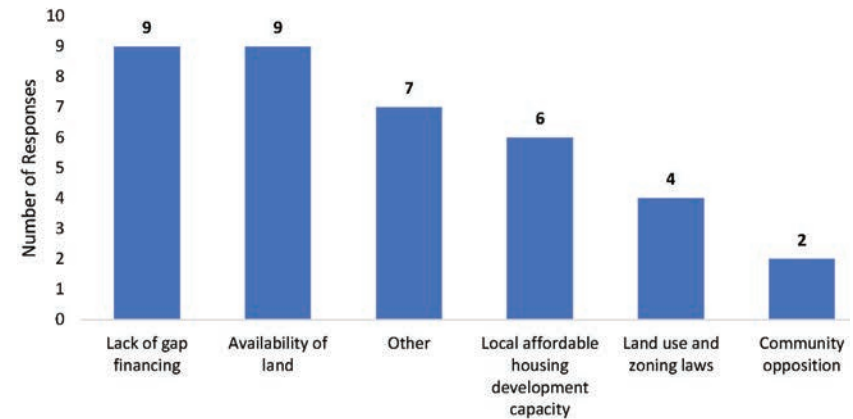
jurisdictions for designing the technical assistance programs that will be provided as part of the Regional Early Action Planning grants program.

Topic 4: Housing Demand
The 15 questions within this topic area focused on demand for housing created in jurisdictions by farmworkers, nearby postsecondary educational institutions, the loss of subsidized housing units due to expiring affordability contracts, and state-declared emergencies.

Key Takeaways from Respondents' Comments
Housing needs for the region's farmworkers: Only 16 respondents (23%) identified a need for farmworker housing in a typical year. Of those, six provided an estimate of local housing need for farmworkers, which totaled approximately 5,000 units. Data sources for estimates included interviews with farmworkers and farm owners, the USDA Census of Agriculture, Napa County Farmworker Housing Needs

Assessment, Santa Clara County Planning Department survey, and the California Employment Development Department. The most common barriers to meeting demand for farmworker housing are similar to barriers to developing affordable housing generally. Among the 16 respondents with a need for farmworker housing, the most common barriers are a lack of financing and limited availability of land (see Figure 9 on page A26).

Housing demand created by postsecondary educational institutions: Responses to questions about housing demand created by postsecondary educational institutions indicate a need for better data collection on this issue. Only 8 respondents (11%) were able to provide an estimate for this housing need. Several more jurisdictions indicated there is significant housing demand created by nearby postsecondary educational institutions, but the number of housing units needed to meet this demand is unknown. The eight jurisdictions that were able to estimate the housing demand created by postsecondary educational institutions stated that the data for their estimates came from surveys conducted by these institutions, but several more jurisdictions indicated they have not been able to obtain this information from local colleges and universities.

Loss of subsidized affordable housing: 19 respondents (27%) stated their jurisdictions had lost subsidized affordable housing units in the past 10 years due to expiring affordability contracts or other issues facing at-risk affordable housing units. Most of the data for these responses came from internal sources. Jurisdictions noted their awareness of affordable housing built with redevelopment funds that converted to

market-rate due to expiring regulatory agreements, and respondents also stated they were aware of below-market-rate units built through inclusionary housing programs that had lapsing affordability requirements.

A larger number of respondents expected to lose affordable housing units in the next 10 years, with 23 respondents (32%) noting that they anticipated these future losses. These respondents also referred to internal city records that indicated the pending expiration of regulatory agreements. Notably, one jurisdiction stated that 68% of existing below-market-rate rental units in its Below Market Rate Housing Program are set to expire in 10 years. Additionally, another respondent commented that the number of affordable units owned by for-profit owners in their jurisdiction is high according to research by the California Housing Partnership, which indicates a high risk for losing these affordable units in the future.[5]

These survey responses indicate that helping cities prevent the loss of affordable housing because of expiring affordability requirements could be a potential focus of ABAG's Regional Early Action Planning grants program. Additionally, the variety of data on at-risk affordable units collected by both individual jurisdictions and the California Housing Partnership points to a need to compile this data if the HMC were to consider using the loss of affordable units as a RHNA methodology factor.

Loss of housing units due to state-declared emergencies: Only six respondents (8%) stated their jurisdiction had lost housing units during a state-declared emergency (such as a fire or other natural disaster) that have not been rebuilt. These

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5 *For more information on the California Housing Partnership's research on at-risk affordable housing in California, see https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2020/02/2020-Affordable-Homes-at-Risk_CHPC-Final.pdf.*

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jurisdictions are in Napa, San Mateo, Santa Clara, Solano, and Sonoma counties. Two jurisdictions in Sonoma County were able to provide precise data on the number of units lost in recent fires. Another Sonoma County jurisdiction noted that they did not lose any housing in the fire but have experienced increased demand in housing because of lost units in surrounding communities. Additionally, two jurisdictions in Marin County noted that, while they have not lost units recently, they expect that units lost in the future due to sea level rise and increased flooding may not be replaced.

SECTION 2: SUMMARY OF RESPONSES TO FAIR HOUSING QUESTIONS

The data and information collected in the Local Jurisdiction Survey can help Bay Area jurisdictions understand the framework needed for assessing fair housing issues, which state law now requires for the next Housing Element update in 2022. Notably, several jurisdictions reported in the survey that they lack data on segregation patterns and have not previously set goals in their Housing Elements related to removing barriers to housing choice. However, this type of analysis will likely be needed for the upcoming Housing Element update.

Accordingly, the survey results can help ABAG staff identify assistance that they can offer through the Regional Early Action Planning (REAP) grants program to help local jurisdictions comply with new Housing Element requirements. Additionally, both the Local Jurisdiction Survey and the review of Bay Area jurisdictions' fair housing reports to HUD identified regional themes regarding both barriers to fair housing choice and strategies to further fair housing. This knowledge can inform how ABAG designs technical assistance and grant programs in

the future to help local jurisdictions implement successful fair housing strategies.

Topic 1: Fair Housing Planning and Data Sources
The eight questions in this topic area centered on jurisdictions' processes for assessing fair housing issues in their communities. Federal law obligates jurisdictions receiving block grant funding from HUD to submit a Consolidated Plan to HUD every five years, and this process requires jurisdictions to assess local fair housing issues (see Section 3 for more details on federally mandated fair housing reporting). While the Local Jurisdiction Survey did ask whether jurisdictions currently submit fair housing reports to HUD, all questions on the survey could be applicable to jurisdictions regardless of whether they participate in federal fair housing reporting. This portion of the survey also asked about the data jurisdictions use for fair housing planning and the efforts they have made to elicit public participation in their fair housing planning processes.

Key Takeaways from Respondents' Comments
Fair housing reporting to HUD: According to the results of the local jurisdiction survey, 37 respondents (51%) have submitted a fair housing report to HUD. Because these reports are submitted as part of five-year planning cycles, most of these jurisdictions recently submitted a report for the years 2020-2025 or are currently working on a report for this cycle, though a few jurisdictions' Consolidated Plans are on a different timeline. While some reports are submitted to HUD by individual jurisdictions, this reporting can also be completed as a collaborative effort between a county government and local jurisdictions within the county.

Data sources for fair housing planning processes:
Jurisdictions primarily rely on publicly available datasets (e.g. data from the Census Bureau) to assess fair housing issues, with 74% of respondents indicating they use this data source. The other data source that a majority of respondents reported using was data provided by HUD (see Figure 10). In addition to the options listed on the survey, respondents noted that they collect and maintain various data sources to inform fair housing planning, including rental vacancy surveys, inventories of affordable housing, landlord registries, code enforcement complaints, surveys of residents, and data from community outreach. Beyond the data collected by jurisdictions themselves, respondents also discussed using data collected by local nonprofits providing fair housing services as well as analyses prepared by county governments and Public Housing Agencies.

Community participation in fair housing processes:
Jurisdictions were most likely to use public forums to incorporate community participation in their fair housing planning, with open house community meetings (54%) and public hearings (49%) being the most common outreach activities reported by respondents. Respondents were also likely to solicit information directly from residents, with 46% using resident surveys and 39% using resident focus groups. Additionally, 40% of respondents reported consulting with stakeholder groups during fair housing planning processes (see Figure 11 on page A30). Based on information respondents shared in their surveys, jurisdictions most often worked with the following types of stakeholder groups:

Figure 10. Which of the following data sources does your jurisdiction maintain or use to assess fair housing issues in the community? (Question 39)
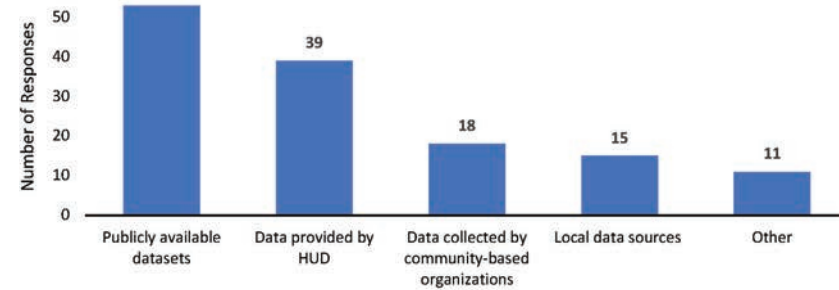
- School districts
- Faith-based groups
- Community-based organizations and neighborhood associations
- Advocacy organizations representing the following constituencies:
  - o   People of color
  - o   People with disabilities
  - o   Immigrants and people with limited English proficiency
  - o   Seniors
  - o   Youth
- Affordable housing providers and residents
- Homelessness services providers
- Housing Choice Voucher applicants
- Nonprofits providing fair housing services
- Legal aid organizations
- Healthcare and social services providers

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15 respondents noted that they collected demographic information for community members who participated in the fair housing planning process. This demographic data typically included data on participants' racial/ethnic background, English language proficiency, age, income, household size, and housing situation.

The survey also provided respondents with an opportunity to discuss their goals for the community outreach process and their success with achieving these goals. According to the survey responses, jurisdictions' goals for community outreach during fair housing planning can be summarized as the following:

- Gather input from a broad and diverse range of residents and community groups.

- Encourage participation from those most impacted by fair housing issues.

- Engage community members who may face barriers to participation, such as those with limited English proficiency.

- Build trust with community members and encourage future participation in planning processes.

- Ensure that federal fair housing reports and other housing planning processes reflect community conditions.

- Obtain data to effectively assess fair housing barriers.

- Develop targeted and feasible fair housing goals and strategies for achieving them.

Respondents indicated that they were largely successful in achieving their goals for community outreach during fair housing planning (see Figure 12 on page A31). Notably, one-third of respondents did not answer this question, which could

Figure 11. Which of the following outreach activities has your jurisdiction used to encourage community participation in planning processes related to fair housing? (Question 40)
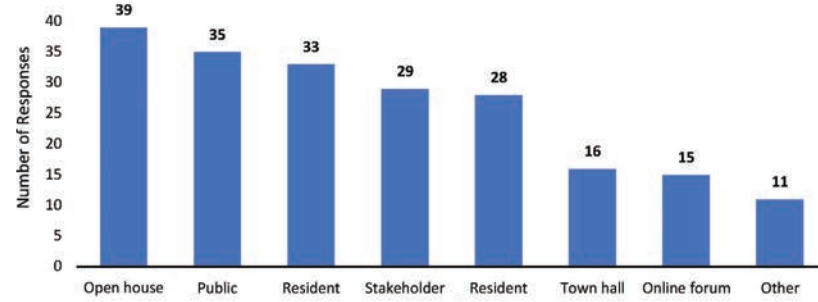
indicate a hesitancy to comment on the success of community outreach efforts. It is also possible that jurisdictions who do not engage in planning processes explicitly focused on fair housing skipped this question rather than selecting "N/A." Respondents who did answer also described the reasons their jurisdictions were able to achieve their goals for the community outreach process as well as the factors that inhibited success with these goals. Table 2 on page A31 provides a summary of these reasons.

## Topic 2: Diversity/Segregation, Access to Opportunity, and Housing Needs

The two questions within this topic area focused on the conditions that restrict fair housing choice and access to opportunity in Bay Area jurisdictions. These questions focused on four fair housing issues: limited access to housing in a jurisdiction, segregated housing patterns and concentrated areas of poverty, disparities in access to opportunity, and disparities in housing cost burdens and overcrowding. The survey sought to contextualize respondents' answers by providing each respondent with data specific to their jurisdiction on geographic concentrations of

poverty and race-based disparities in access to opportunity, housing cost burden, overcrowding, and segregated housing patterns. For more information on the impediments to fair housing that Bay Area jurisdictions have described in their fair housing reports to HUD, see Section 3.

Key Takeaways from Respondents' Comments

Factors contributing to fair housing issues: Respondents

Figure 12. How successful was your jurisdiction in achieving its goals for the process to elicit community participation for fair housing planning? (Question 43)
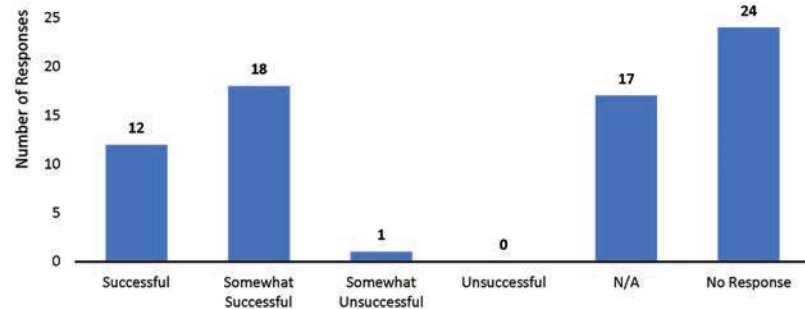
most commonly reported that fair housing issues in their jurisdictions stem from factors related to displacement, affordable housing, and barriers to development (see Table 3 on page 33A, which shows how many respondents indicated whether a factor contributes to each of the four fair housing issues). When the factors are ranked in terms of which were selected by the most jurisdictions for each fair housing issue, there are three factors among the five most selected across all four fair housing issues: community opposition to development, displacement due to increased rents, and displacement of low-income and/or person-of-color (POC)

Table 2. Describe the reasons for the success or lack of success of your jurisdiction's community engagement efforts. (Question 44)

FACTORS ENABLING SUCCESS IN ACHIEVING COMMUNITY OUTREACH GOALS:	FACTORS PREVENTING SUCCESS IN ACHIEVING COMMUNITY OUTREACH GOALS:
• Reaching out to a diverse group of community stakeholders • Effective marketing efforts that broadly distributed information throughout the community • Dedicated staff and resources for the outreach and engagement process • Multiple opportunities to participate throughout engagement process • Variety of ways to participate in multiple settings (online surveys, community meetings, small group discussions, etc.) • Partnerships with nonprofit organizations providing fair housing services	• Event attendees disproportionately from certain segments of the community, such as long-term homeowners • Difficulty engaging populations with less housing stability, such as renters or people experiencing homelessness • Outreach does not reflect opinions of those who have been excluded from the community due to high cost of housing • Lack of housing staff and resources • Need for a variety of participation formats as well as more outreach online and using social media • Limited time for completing a robust outreach process • Residents lacking time and resources to participate in community meetings • Lack of childcare provided at meetings • Confusion about the fair housing topics discussed at meetings

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residents. Two other factors ranked in the top five for three out of four of the fair housing issues: availability of larger affordable units and land use/zoning laws. These five factors are highlighted in Table 3 on following pages.

The survey results show the most consensus around factors contributing to limited access to housing in jurisdictions as well as disparities in housing cost burdens and overcrowding. 32 respondents (44%) indicated that the availability of larger affordable units contributes to a lack of access to housing in their jurisdiction. Additionally, displacement due to increased rents, displacement of low-income residents and/or residents of color, and community opposition to development were all listed by more than one-third of jurisdictions as contributing to limited housing access. These same four factors were also the most commonly indicated causes of disparities in housing cost burdens and overcrowding, with 42% of respondents stating that displacement due to increased rents contributes to these disparities.

For the issues of segregated housing patterns/concentrated areas of poverty and disparities in access to opportunity areas, no contributing factor was selected by more than 12 respondents (17%). However, respondents did report similar causes for these fair housing issues: displacement due to increased rents, displacement of low-income residents and/or residents of color, community opposition to development, location of affordable housing, and availability of larger affordable units.

Respondents were also asked to select the top three factors contributing to fair housing issues in their jurisdiction and to describe the reason for these selections. Below are the factors most commonly listed by jurisdictions as the main contributors to fair housing issues as well as a summary of why respondents selected these factors. The factors appear in order of how frequently they were cited by respondents as top contributors to fair housing issues, with the most frequently listed factors first.

- **Displacement:** Respondents noted that displacement disproportionately affects low-income residents and residents of color, which can result in disproportionate overcrowding for these populations. Additionally, the rising housing costs in communities affected by displacement limit opportunities for racial and socioeconomic diversity and integration.

- **Community opposition to development:** Respondents reported that residents commonly oppose denser housing, affordable housing, or housing with supportive services for formerly homeless residents. This opposition can significantly increase the time to approve new development and drives up costs for both affordable and market-rate projects.

- **Lack of affordable housing, especially larger units:** Respondents described how rising housing costs and a limited supply of affordable housing cause the displacement of low-income residents and prevent low-income households from moving into communities.

- **Land use and zoning laws:** Some respondents noted

Table 3. Which of the following factors contribute to fair housing issues in your jurisdiction? Check all that apply. (Question 45)

Factors Contributing to Fair Housing Issues	FAIR HOUSING ISSUES			
	Disparities in access to opportunity areas	Segregated housing patterns or concentrated areas of poverty	Disparities in access to opportunity areas	Disparities in housing cost burdens and overcrowding
Access to financial services	5	1	1	1
Access to grocery stores and healthy food options	3	4	7	2
Access to healthcare facilities and medical services	3	2	2	2
**Availability of larger affordable units	32	9	9	18
Availability, frequency, and reliability of public transit	20	5	8	6
CEQA and the land use entitlement process	14	4	6	6
**Community opposition to development	24	10	9	15
Creation and retention of high-quality jobs	8	0	5	7
Deteriorated/abandoned properties	2	2	0	3
**Displacement due to increased rents	30	11	9	30
Displacement due to natural hazards	3	1	1	4
**Displacement of low-income/POC residents	25	12	11	24
Foreclosure patterns	2	3	2	4
Impacts of natural hazards	8	1	2	3
Lack of community revitalization strategies	2	3	2	3
Lack of private investments in low-income/POC communities	6	6	6	5
Lack of public investments in low-income/POC communities	4	3	4	2

* Factors highlighted in bold with asterisks (**) are among the five most commonly selected across fair housing issues.

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Table 3. Which of the following factors contribute to fair housing issues in your jurisdiction? Check all that apply. (Question 45)

Factors Contributing to Fair Housing Issues	FAIR HOUSING ISSUES			
	Disparities in access to opportunity areas	Segregated housing patterns or concentrated areas of poverty	Disparities in access to opportunity areas	Disparities in housing cost burdens and overcrowding
Lack of regional cooperation	7	2	6	6
**Land use and zoning laws	20	10	7	9
Lending discrimination	2	2	2	4
Location of affordable housing	16	11	8	7
Location of employers	8	2	3	8
Location of environmental health hazards	2	2	0	2
Location of proficient schools and school assignment policies	3	5	6	4
Occupancy standards limiting number of people per unit	4	0	0	3
Private discrimination	4	2	2	3
Range of job opportunities available	7	0	5	5
Other	2	0	1	1

that their jurisdictions are zoned primarily or entirely for single-family housing, and respondents also mentioned restrictions on multi-family development created by minimum lot sizes, density caps, height limits, and/or minimum parking requirements. These respondents reported that low-density zones cannot accommodate affordable housing, and current land use restrictions result in limited sites for multi-family projects. Consequently, affordable development is nearly impossible in some jurisdictions, while in other jurisdictions affordable developments are concentrated in the few areas with denser

zoning. As a result, current land use and zoning codes perpetuate the segregation created by decisions of the past.

- **Barriers to development:** In addition to community opposition and land use laws, respondents described other barriers to development such as the availability of land suitable for development, the California Environmental Quality Act (CEQA) and the land use entitlement process, and the high cost of construction. Respondents discussed how their jurisdictions' approval processes for development and CEQA inhibit housing production. These respondents noted that CEQA slows down the entitlement

process and enables groups opposed to development to threaten litigation and create additional delays. The project costs created by CEQA and lengthy entitlement processes can make housing development financially infeasible, particularly for affordable projects. Survey responses indicated that these barriers to development inhibit access to these communities generally and especially for lower-income populations.

- **Location of employers:** Respondents discussed how limited job options within their jurisdictions and lack of access to job centers increase the costs of living there, as residents need to travel farther for work. Additionally, some mentioned that a lack of high-quality jobs within the jurisdiction prevents local jobholders from affording the high cost of housing.

- **Public transit availability:** Respondents suggested that a lack of public transit options inhibits those living in their jurisdiction from accessing jobs and services if they do not own a car, which makes the jurisdiction less accessible to a diverse range of households.

Topic 3: Fair Housing Goals and Actions

The four questions within this topic area discussed the actions jurisdictions have taken to remove barriers to equal housing opportunity and prevent the displacement of low-income households. Respondents were also asked to reflect on their goals for fair housing policies and whether the strategies they have implemented achieve these goals. For more information on the strategies to further fair housing that Bay Area jurisdictions have detailed in their fair housing reports to HUD, see Section 3.

Key Takeaways from Respondents' Comments

Policies and initiatives to further fair housing: The survey results indicate that there are eight actions that a majority of respondents have taken to address existing segregation and enable equal housing choice (see Figure 13 on page A36). Most of these actions center on increasing the number of affordable housing units. For example, 69% of respondents have supported the development of affordable housing for special needs populations such as seniors, people with disabilities, people experiencing homelessness, and/or those with mental health issues. The survey responses also indicate that most respondents have sought to increase the supply of affordable housing through inclusionary zoning, land use changes, developing affordable housing near transit, encouraging the construction of larger affordable units, using publicly owned land for affordable development, and establishing local funding sources for affordable housing construction. Other common strategies to advance fair housing focus on low-income homeownership, with 53% of respondents funding home rehabilitation and improvements for low-income homeowners and 49% of respondents providing resources to support low-income homebuyers.

Goals for fair housing policies: Many of the jurisdictions' survey responses noted that a goal of their fair housing policies is facilitating equal housing opportunities by removing barriers to affordable housing. Specifically, respondents discussed the following objectives for their fair housing policies related to increasing the affordable housing supply:

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Figure 13. What actions has your jurisdiction taken to overcome historical patterns of segregation or remove barriers to equal housing opportunity? (Question 47)
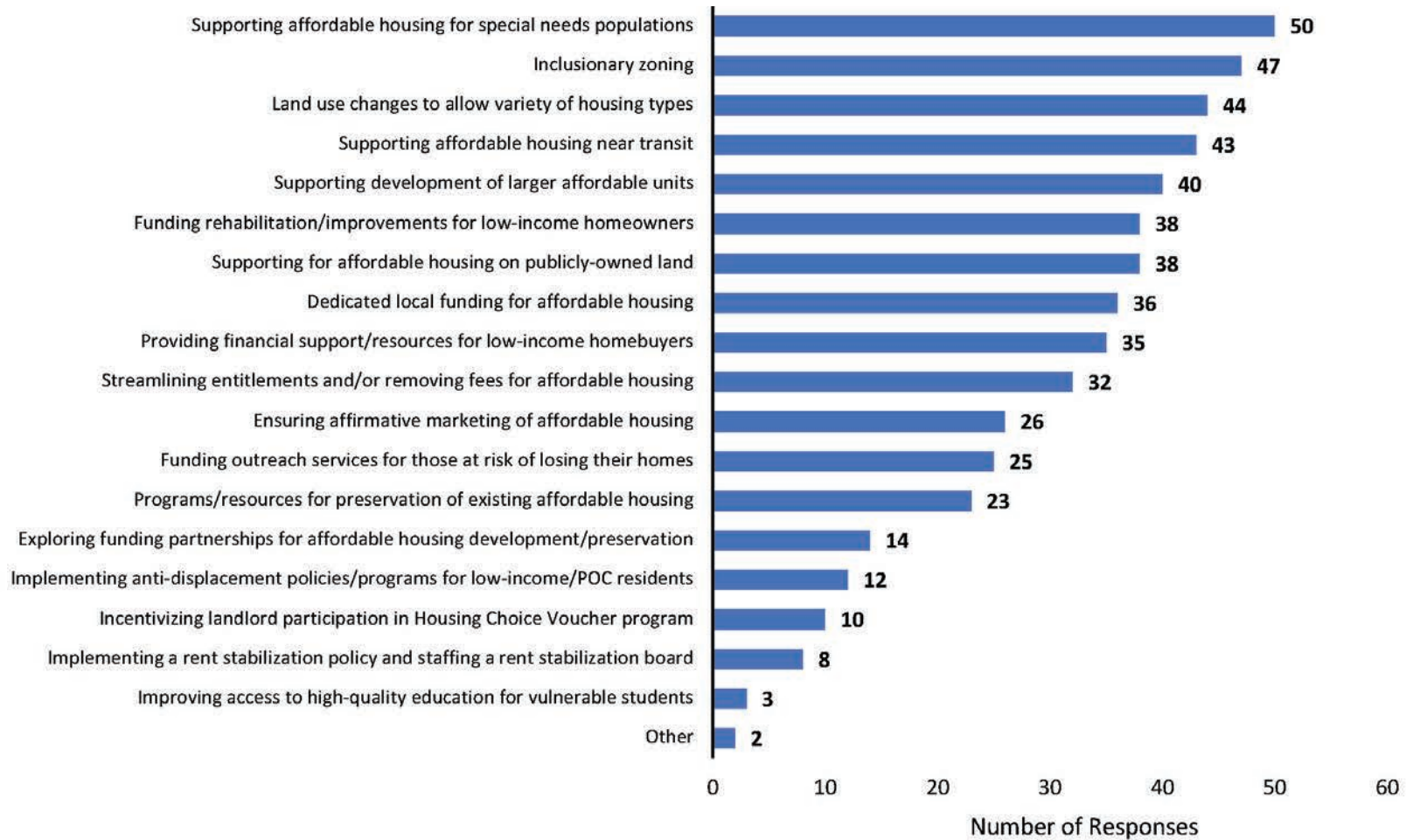
- Financing affordable housing development through linkage fees and dedicated funding sources.

- Creating new affordable units and mixed-income development using inclusionary requirements for market-rate development.

- Providing support for nonprofit affordable housing developers.

- Preserving the existing affordable housing stock.

Additionally, respondents mentioned the following goals related to overcoming historic patterns of segregation and eliminating barriers to equal housing choice:

- Expanding affordable housing and homeownership

opportunities for those who have been directly affected by the historic legacies of housing inequities and discrimination.

- Ensuring that affordable housing is spread throughout all communities.

- Creating affordable housing options in high opportunity neighborhoods.

- Increasing the diversity of housing types throughout all neighborhoods through land use changes.

- Reducing barriers to mobility for low-income households and residents of publicly-supported housing.

- Making fair housing resources more readily available online and coordinating with fair housing services nonprofits to disseminate information and reduce discrimination.

Respondents reported that their jurisdictions' policies and actions were mostly successful for achieving goals related to furthering fair housing (see Figure 14). Notably, one-third of respondents did not answer this question, which could indicate a hesitancy to comment on the success of efforts to further fair housing. It is also possible that jurisdictions who do not engage in planning processes explicitly focused on fair housing skipped this question rather than selecting "N/A." Respondents who did answer also discussed the reasons their jurisdictions were able to achieve fair housing goals as well as the factors that hindered the success of these efforts. Table 4 on page A38 provides a summary of these reasons.

Anti-displacement policies and initiatives in local jurisdictions: Jurisdictions throughout the region have adopted a variety of policies to prevent or mitigate the displacement of their low-income residents. The most common strategies focus on the

production of affordable units as well as policies and programs to help low-income tenants remain in their current housing (see Figure 15 on page A39). 78% of respondents indicated that their jurisdictions promote streamlined processing for ADU construction. Other policies enacted by the majority of respondents include inclusionary zoning and condominium conversion regulations. Additionally, more than 40% of respondents assess affordable housing fees on residential and/or commercial development, while a comparable number of respondents provide support for fair housing legal services and/or housing counseling. It is worth noting that efforts to preserve subsidized and unsubsidized affordable units have been made by few jurisdictions, but these two strategies were selected by the most respondents as being of potential interest to the councils/

Figure 14. How successful were your jurisdiction's past actions in achieving goals for overcoming historical patterns of segregation or removing barriers to equal housing opportunity? (Question 49)
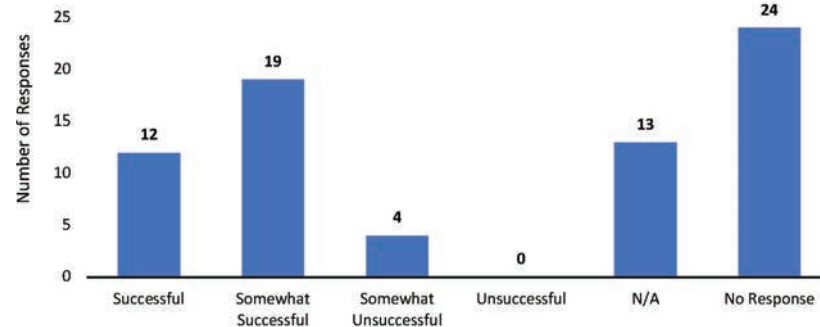
boards in their jurisdictions. In addition to the options listed on the survey, respondents reported that the following anti-displacement policies and programs have been implemented by their jurisdictions:

- Relocation assistance for tenants displaced due to code enforcement actions, condo conversion, and demolition of housing units for redevelopment

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Table 4. Describe the reasons for the success or lack of success of your jurisdiction's actions to overcome historical patterns of segregation or remove barriers to equal housing opportunity. (Question 49)

FACTORS ENABLING SUCCESS IN ACHIEVING FAIR HOUSING POLICY GOALS:	FACTORS PREVENTING SUCCESS IN ACHIEVING FAIR HOUSING POLICY GOALS:
• Creation of new local funding sources for affordable housing • Construction of 100% affordable housing developments with local financial support • Streamlined approvals processes for development, particularly for affordable housing and ADUs • Production of new affordable housing through inclusionary zoning • Affordable housing opportunities are not limited to low-income neighborhoods • Rezoning and other policies implemented through Housing Element updates resulting in increased development of both market-rate and affordable units • Ongoing funding for fair housing services providers • Strong leadership, political will, and community support for policies that advance fair housing goals	• Available funding inadequate for meeting the demand for affordable housing and other housing services • Land prices, land availability, and construction costs hamper affordable housing construction • Development of affordable housing cannot keep pace with the need • Longer timeframe required to see the effects of efforts to deconcentrate poverty and make affordable housing available throughout all neighborhoods • Lack of private investment, particularly in historically marginalized communities • Lack of staff to work on policy development and implementation • Community opposition to policies related to furthering fair housing

- Programs and land use regulations to preserve affordable housing in mobile home parks

- Just cause eviction protections

- Downpayment assistance programs for residents

- Partnering with land trusts to acquire foreclosed homes and other for-sale properties to make them available for low- and moderate-income homebuyers

- Assisting landlords with low-cost loans and grants for property improvements in return for keeping long-time residents in place

## SECTION 3: SUMMARY OF BAY AREA LOCAL FAIR HOUSING REPORTS

Federally Mandated Fair Housing Reports

Federal law obligates state and local jurisdictions receiving block grant funding from the HUD to submit a Consolidated Plan every five years, and this process requires conducting an Analysis of Impediments to Fair Housing Choice (AI).[1] In 2015, HUD released a final rule on affirmatively furthering fair housing (AFFH), which provided updated guidelines for assessing fair housing issues and created a new Assessment of Fair Housing (AFH) tool to replace the AI process. HUD's intent for this new process was to improve community planning around fair housing issues, as this new tool required public participation and increased data analysis.[2] In 2018, however, HUD suspended the AFH tool and reinstated the previous

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6 See https://www.hudexchange.info/programs/consolidated-plan/consolidated-plan-process-grant-programs-and-related-hud-programs/ or more information on the Consolidated Plan process.

7 See https://files.hudexchange.info/resources/documents/AFFH-Fact-Sheet.pdf and https://www.hudexchange.info/programs/affh/overview/ for more information on the 2015 AFFH rule and AFH tool.

Figure 15. Which of the following policies, programs, or actions does your jurisdiction use to prevent or mitigate the displacement of low-income households? (Question 50)

LEGEND
- Potential Council/Board Interest
- Under Council/Board Consideration
- In Use
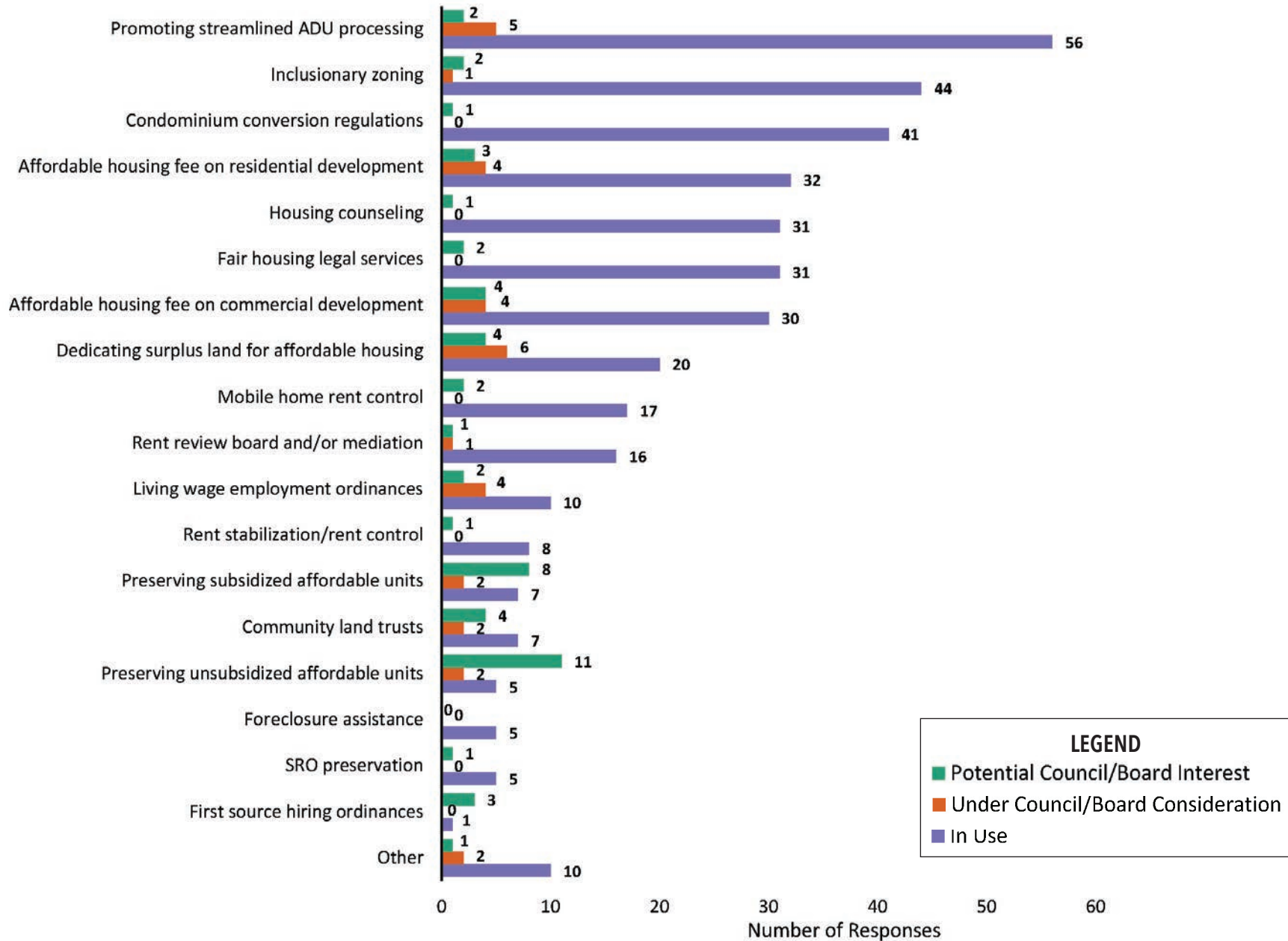
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requirement to complete an AI report.[3] In response to HUD's decision, the California legislature passed Assembly Bill 686 in 2018, which states that AFFH obligations must be interpreted in a manner consistent with HUD's 2015 AFFH rule, regardless of subsequent amendments to or suspensions of the rule.[4] As a result, some reports submitted by Bay Area jurisdictions for the 2020-2025 cycle are labeled AFH reports, while others are AI reports, but the content and format of reports submitted since the passage of Assembly Bill 686 are likely to be similar, regardless of whether the report is labeled an AI or AFH.

Bay Area Reports

Currently, 41 Bay Area cities and counties participate in the Consolidated Plan process and have submitted AI or AFH reports to HUD. Because these reports are submitted as part of five-year planning cycles, most of these jurisdictions recently submitted a report for the years 2020-2025 or are currently working on a report for this cycle, though reporting in some jurisdictions occurs on a different timeline. While some reports are submitted to HUD by individual jurisdictions, this reporting can also be completed as a collaborative effort between a county government and local jurisdictions within the county.

Below is a summary of the 16 AI and AFH reports, which are the most recently submitted fair housing documents from Bay Area jurisdictions available to the public. These reports cover the following jurisdictions:

- Programs and land use regulations to preserve affordable housing in mobile home parks
- Just cause eviction protections
- Downpayment assistance programs for residents
- Partnering with land trusts to acquire foreclosed homes and other for-sale properties to make them available for low- and moderate-income homebuyers
- Assisting landlords with low-cost loans and grants for property improvements in return for keeping long-time residents in place

SECTION 3: SUMMARY OF BAY AREA LOCAL FAIR HOUSING REPORTS

Federally Mandated Fair Housing Reports

Federal law obligates state and local jurisdictions receiving block grant funding from the HUD to submit a Consolidated Plan every five years, and this process requires conducting an Analysis of Impediments to Fair Housing Choice (AI).[5] In 2015, HUD released a final rule on affirmatively furthering fair housing (AFFH), which provided updated guidelines for assessing fair housing issues and created a new Assessment of Fair Housing (AFH) tool to replace the AI process. HUD's intent for this new process was to improve community planning around fair housing issues, as this new tool required public participation and increased data analysis.[6] In 2018, however,

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8 See https://files.hudexchange.info/resources/documents/FR-Notice-AFFH-AI-Notice.pdf for the 2018 HUD notice.
9 See https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB686 for text of Assembly Bill 686.
10 See https://www.hudexchange.info/programs/consolidated-plan/consolidated-plan-process-grant-programs-and-related-hud-programs/ or more information on the Consolidated Plan process.
11 See https://files.hudexchange.info/resources/documents/AFFH-Fact-Sheet.pdf and https://www.hudexchange.info/programs/affh/overview/ for more information on the 2015 AFFH rule and AFH tool.

HUD suspended the AFH tool and reinstated the previous requirement to complete an AI report.[7] In response to HUD's decision, the California legislature passed Assembly Bill 686 in 2018, which states that AFFH obligations must be interpreted in a manner consistent with HUD's 2015 AFFH rule, regardless of subsequent amendments to or suspensions of the rule.[8] As a result, some reports submitted by Bay Area jurisdictions for the 2020-2025 cycle are labeled AFH reports, while others are AI reports, but the content and format of reports submitted since the passage of Assembly Bill 686 are likely to be similar, regardless of whether the report is labeled an AI or AFH.

Bay Area Reports

Currently, 41 Bay Area cities and counties participate in the Consolidated Plan process and have submitted AI or AFH reports to HUD. Because these reports are submitted as part of five-year planning cycles, most of these jurisdictions recently submitted a report for the years 2020-2025 or are currently working on a report for this cycle, though reporting in some jurisdictions occurs on a different timeline. While some reports are submitted to HUD by individual jurisdictions, this reporting can also be completed as a collaborative effort between a county government and local jurisdictions within the county.

Below is a summary of the 16 AI and AFH reports, which are the most recently submitted fair housing documents from Bay Area jurisdictions available to the public. These reports cover the following jurisdictions:

- Alameda County collaborative report: the cities of Alameda, Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Newark, Oakland, Piedmont, Pleasanton, San Leandro, and Union City as well as Alameda County

- Contra Costa County collaborative report: the cities of Antioch, Concord, Pittsburg, and Walnut Creek as well as Contra Costa County

- Marin County

- City and County of San Francisco

- San Mateo County collaborative report: the cities of Daly City, San Mateo, South San Francisco, Redwood City, as well as San Mateo County

- Santa Clara County

- Sonoma County collaborative report: cities of Santa Rosa and Petaluma as well as Sonoma County

- City of Cupertino

- City of Fairfield

- City of Milpitas

- City of Mountain View

- City of Napa

- City of San Jose

- City of Sunnyvale

- City of Vacaville

- City of Vallejo

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12 See https://files.hudexchange.info/resources/documents/FR-Notice-AFFH-AI-Notice.pdf for the 2018 HUD notice.
13 See https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB686 for text of Assembly Bill 686.

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Reported Fair Housing Impediments, Strategies, and Actions

This summary focuses on common impediments to fair housing experienced by Bay Area jurisdictions, and it also lists specific strategies proposed and actions taken in response to these obstacles. While each AI or AFH report contains extensive city/county demographic information, housing equity history, and details on how the report was produced, including community engagement efforts, this summary does not focus on the individual circumstances of each jurisdiction. Rather, it collates these jurisdictions' most significant barriers to affirmatively furthering fair housing, as self-reported, and lists the strategies they have taken to overcome them, in an attempt to draw out common themes at the regional level.

The top themes to emerge at the regional level are:

1. There is a severe lack of affordable housing amidst already-high housing costs regionwide.

2. The lack of affordable housing leads to displacement and gentrification, impacting access to employment, transportation, and education for low-income people.

3. Communities often oppose new housing construction, especially when it is dense, affordable housing. While framed as an issue of "local control," in some circumstances this opposition to housing may be rooted in implicit discrimination based on race and class/income.

4. Jurisdictional zoning and approval policies and practices reflect this community opposition and contribute to the lack of affordable housing supply.

5. Lack of investment in specific neighborhoods is the result of longstanding explicit housing segregation, leading to racially-concentrated areas of poverty that persist today.

6. Outreach, education, and enforcement of fair housing activities are contracted out to nonprofits with insufficient resources.

7. There are significant accessibility barriers to housing for disabled, non-English-speaking, formerly incarcerated, formerly homeless, and other specific populations.

8. Discrimination in the private housing market is prevalent, both in the rental market and in lending policies and practices that impede home ownership.

9. There is much room for improvement in coordination and cooperation regionwide, both between jurisdictions and among different housing advocacy groups.

Below are more details on these highly interrelated obstacles to fair housing in the Bay Area, as well as actions and strategies that may offer solutions. Nearly all of the reports considered each of the following nine impediments, but they were inconsistent in clarifying whether the strategies noted have actually been implemented or are simply being considered. This high-level summary includes all strategies that local fair housing reports listed as potential solutions to these nine impediments. However, ABAG staff could not determine from these reports how many jurisdictions had implemented each strategy versus how many were considering the strategy but had not yet adopted it. The following list orders both the impediments and the strategies by approximate frequency and importance to the collective

jurisdictions (i.e., the most frequently reported, most important ideas across reports are listed first), as interpreted by ABAG staff who compiled the summary after reviewing the reports.

IMPEDIMENT 1: Lack of Affordable Housing

A lack of affordable housing means a lack of racially and ethnically integrated and balanced communities. Every Bay Area jurisdiction examined in this summary reports a shortage of affordable housing for those who need it, in both rental and ownership markets. The inadequate supply of affordable housing creates a severe housing shortage for communities of color, which are disproportionately economically disadvantaged.[9]

Strategies and Actions for Overcoming this Impediment

1. Seek funding for new affordable housing construction
- Pursue dedicated sources of funding for affordable housing (citywide, countywide, or regionwide), including:
  o Affordable housing bonds
  o Local sales tax, transit occupancy tax, or vacant home tax
  o Housing trust funds for affordable housing development
- Explore state and national funding, such as CA Senate Bill 2
- Increase in-lieu fees[10] to reflect actual cost of affordable

housing development
- Pool in-lieu fees among cities
- Adopt inclusionary housing policies to bolster funds to support affordable housing

2. Identify new sites for affordable housing
- Prepare and publicize available and easily obtainable maps of all incorporated and unincorporated vacant and underutilized parcels
- Create a public database of potential sites that can be updated regularly

3. Incentivize developers to build new affordable units
- Prioritize the production of affordable housing units in sizes appropriate for the population and based on family size
- Reduce developer fees for affordable housing
- Encourage market rate housing to include affordable units, such as by promoting use of density bonuses
- Identify underutilized parcels to acquire, convert and develop into affordable housing
- Award higher points in housing developer applications to projects that offer units of 3+ bedrooms
- Support Project-Based Voucher (PBV) developments[11]

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14 For more information on economic disparities across racial/ethnic groups in the Bay Area, see An Equity Profile of the Nine-County San Francisco Bay Area Region, by PolicyLink and PERE, the Program for Environmental and Regional Equity at the University of Southern California. Read at: https://nationalequityatlas.org/sites/default/files/Final_9_County_BayAreaProfile.pdf.

15 In-lieu fees are fees paid by developers of market rate housing to satisfy affordable housing requirements in jurisdictions with inclusionary housing ordinances. The fee is paid in-lieu of providing on-site affordable housing, and jurisdictions typically use the fee to finance affordable housing development at a different site.

16 Under the Project-Based Voucher program, a Public Housing Agency enters into anassistance contract with a development owner. This assistance subsidizes the rents for up to 25% of the units in the development for a specified term. Households living in units subsidized by PBVs pay 30% of their income toward rent, and the Public Housing Agency pays the development owner the difference between the rent the household pays and the gross rent for the unit. PBVs can enable an affordable housing development to charge more deeply affordable rents and better serve extremely low-income households.

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- Promote objective development and design standards for housing development projects that qualify for streamlined permit review

- Provide assistance to developers to secure entitlements and county funding for extremely low-income/special needs units

- Coordinate use of housing subsidies to build affordable housing in high-opportunity areas in order to increase low-income households' access to designated opportunity areas with low poverty rates, healthy neighborhoods, and high-performing schools

- Explore the production of units that are affordable by design, such as Accessory Dwelling Units (ADUs) and micro-units

4. Consider existing units: Protect currently affordable housing from becoming market-rate, and/or convert currently market-rate housing to affordable housing

- Provide technical assistance and funding application assistance to retain affordable units at risk of converting to market rate

- Develop and implement a small site acquisition and rehabilitation program that effectively channels fees paid to the city, leveraged with other public and private resources, to the preservation of small buildings serving low-income tenants

- Leverage financial resources from state and federal

programs to rehabilitate existing affordable housing projects nearing the end of their affordability restrictions and extend their subsidy into the future

- Donate municipally-owned, tax-foreclosed properties to nonprofit community land trusts to be rehabilitated, as needed, and preserved for long-term affordable housing

IMPEDIMENT 2: Displacement and Gentrification

As defined by the Urban Displacement Project at UC Berkeley, gentrification is a process of neighborhood change in a historically disinvested neighborhood that includes both economic and demographic change. These changes occur as a result of both real estate investment and new higher-income residents moving in, which results in corresponding changes in the education level or racial makeup of residents.[12] Gentrification often causes displacement, which prevents long-term residents from benefitting from new investments in their neighborhood. Moreover, when low-income families are displaced from their homes, they typically move to lower-income neighborhoods, which generally lack options for high-quality employment, transportation, and schools.[13]

Strategies and Actions for Overcoming this Impediment

1. Adopt tenant protections
- Adopt tenant protections, such as relocation costs, increased noticing, just cause for eviction, and rent control ordinances

- Promote new fair housing laws, including AB 1482,[14]

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17 For more information on gentrification, see https://www.urbandisplacement.org/gentrification-explained.
18 For more information on the impacts of displacement, see https://www.urbandisplacement.org/pushedout.
19 For more information on the statewide rent caps and just cause for eviction protections instituted by AB 1482, see https://sfrb.org/article/summary-ab-1482-california-tenant-protection-act-2019.

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including posting information on jurisdiction websites

- Collaborate with regional efforts such as established countywide homeless action plans/goals/programs that may provide one-time rent assistance to low-income people in jeopardy of being evicted due to life emergency or hardship

- Commission market-based rent surveys to seek adjustments to the fair market rents (FMRs) for the federal Housing Choice Voucher program

- Use eminent domain to block home foreclosures

- Fund and support multi-agency collaborative efforts for legal services, including organizations that do not receive Legal Services Corporation funding (federal funds) and are able to represent undocumented residents

2. Prioritize existing and new affordable housing, specifically in gentrifying areas

- Develop displacement mitigation or replacement requirements for any rezoning activities that could displace existing residents

- In tandem with investments in affordable housing development in low-poverty areas, provide funds for the preservation of affordable housing in areas that are undergoing gentrification or are at risk of gentrification, in particular in areas of high environmental health

- Donate municipally-owned, tax-foreclosed properties to nonprofit community land trusts to be rehabilitated, as needed, and preserved for long-term affordable housing

- Explore the development of policy that will allow a set-aside in affordable housing developments that prioritizes

residents who are being displaced from low-income neighborhoods undergoing displacement and/or gentrification

- Offer minor home repair grants to help homeowners remain in their homes

IMPEDIMENT 3: Community Opposition to New Housing

Communities often prefer single-family homes in their neighborhoods, which residents typically describe as based on fear of lowered property values, overcrowding, or changes in the character of the neighborhood. When communities resist new housing, it often results in the exclusion of people of color and low-income households.

Strategies and Actions for Overcoming this Impediment

- Develop growth management programs intended to concentrate urban development and preserve agriculture and open space

- Provide ongoing community engagement to educate, include and inform residents about the challenges with housing, and to highlight the jurisdiction's prior achievements in developing affordable housing and addressing racial disparities in housing choice

- Develop strategies and talking points to address topics cited in opposition to housing development, including the impact on schools, water, transportation and traffic

- Include and expand the number of participants who engage in discussions about barriers to fair housing and disparities in access and opportunities, and provide

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opportunities to advance recommendations to address housing challenges

IMPEDIMENT 4: Zoning Practices and Building Approvals

Local land use controls, zoning regulations, and impact fees are major impediments to constructing and preserving affordable housing. Unlike many other impediments to fair housing, jurisdictions have the authority to directly address these issues.

Strategies and Actions for Overcoming this Impediment

1. Evaluate and update zoning

- Evaluate and update existing zoning to ensure compliance with state-mandated streamlining requirements

- Rezone and repurpose underdeveloped areas

- Modify current zoning and other local policies regulating housing development that pose a direct or indirect constraint on the production of affordable housing

- Update zoning and programs to incentivize accessory dwelling units (ADUs)

- Explore revisions to building codes or processes to reduce the costs of ADU construction and/or allow a greater number of ADUs

- Encourage mixed-use transit-oriented development for affordable housing sites that are located near transportation facilities and employment centers by appropriately zoning for higher density residential and mixed-use developments, maximizing the linkages between employers and affordable housing

- Consider rezoning sites for affordable housing outside of racially segregated areas that are predominantly residents of color

- Consider reduced development standards, specifically parking requirements, to incentivize the development of specific housing types, including units with affordability covenants, units for special needs individuals, higher density residential development, and developments near public transit

2. Evaluate and update fees, processing times, ordinances

- Review existing inclusionary housing in-lieu fees, housing impact fees, and jobs-housing linkage fee programs to maximize number of units, as consistent with current housing market conditions and applicable law

- Evaluate options for streamlined processing of affordable housing developments

- Discourage or eliminate live/work preferences in inclusionary ordinances

IMPEDIMENT 5: Segregation, Lack of Investment in Specific Areas, Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)

Public and private disinvestment in certain areas has resulted in racially/ethnically concentrated areas of poverty (R/ECAPs). In these neighborhoods, lack of tax revenue and funds for services has led to deteriorated and abandoned properties and areas where communities of color cannot access amenities needed for a healthy life.

Strategies and Actions for Overcoming this Impediment

1. Target economic investment opportunities in R/ECAPS while protecting against displacement

- Fund home-based childcare projects and microenterprise projects with Community Development Block Grant (CDBG) funds

- Provide Family Self-Sufficiency program participants with job training referrals and career networking[15]

- Explore financially supporting economic development activities and initiatives in and around R/ECAPs

- Prioritize economic development expenditures in and around R/ECAPs

- Prioritize funding for job training programs in and around R/ECAPs, including industrial jobs

- Prioritize infrastructure and streetscaping improvements in R/ECAPs in order to facilitate local retail development

- Engage with small business incubators to expand to R/ECAPs or to provide technical assistance to start-up incubators

- Explore methods for providing low-interest loans and below-market leases for tax-foreclosed commercial properties to low-income residents seeking to start businesses within R/ECAPs

2. Improve access to home renting and buying for residents in R/ECAPS

- Work with communities to develop a community land trust for low-income residents that creates opportunities for affordable housing and home ownership, with specific inclusion for residents of color with historic connections to the area

- Build affordable housing projects in middle- and upper-income neighborhoods to the maximum degree possible

- Create more standardized screening policies and procedures for city-sponsored affordable housing

- First-time homebuyer down payment assistance programs

IMPEDIMENT 6: Outreach, Education, Enforcement

Nearly all jurisdictions report contracting with nonprofit organizations (partly funded by city and county grants) to provide local fair housing services and education, including counseling, language services, and handling of fair housing complaints. Despite these efforts, the region lacks sufficient housing search assistance, voucher payment standards, landlord outreach, mobility counseling, and education about fair housing rights. Inadequate funding and organizational capacity of the nonprofits providing services plays a role.

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20 *Family Self-Sufficiency is a program that enables HUD-assisted families to increase their earned income and reduce their need for welfare assistance and rental subsidies.*

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Strategies and Actions for Overcoming this Impediment

1. Better fund all fair housing services

- Allocate more federal, state, and local funding for nonprofit organizations providing fair housing services

- Fund and support multi-agency collaborative efforts for legal services, including organizations that do not receive Legal Services Corporation funding (federal funds) and are able to represent undocumented residents

2. Promote better fair housing outreach and education services

- Continue to contract with fair housing service providers to educate home seekers, landlords, property managers, real estate agents, and lenders regarding fair housing law and recommended practices, including the importance of reasonable accommodation under the Americans with Disabilities Act; to mediate conflicts between home seekers, landlords, property managers, real estate agents, and lenders; and to continue fair housing testing and audits

- Implement annual training programs for property managers and residents

- Seek ways to increase resident access to fair housing services, such as improved marketing of services, improved landlord education, and improved tenant screening services to avoid owner bias

- Educate tenants and landlords on new fair housing laws

- Provide financial literacy and homebuyer education classes

- Continue to fund housing placement services for people with disabilities to assist them in finding accessible housing

- Develop and distribute informational brochure on inclusionary leasing practices, including with licenses where applicable

- Continue and increase outreach and education activities for all protected classes

- Include education on new requirements of Assembly Bill 2413 (Chiu), the Right to a Safe Home Act, in outreach activities to both landlords and the public[19]

- Explore alternative formats for fair housing education workshops such as pre-taped videos and/or recordings, which could serve persons with more than one job, families with young children and others who find it difficult to attend meetings in person

3. Better advertise affordable housing opportunities

- Create a database of all restricted housing units citywide/countywide/regionwide that could be posted online to provide user-friendly information about the location and application process for each development

- Advertise the availability of subsidized rental units via the jurisdictions' websites and or apps, the 2-1-1 information and referral phone service, and other media outlets

IMPEDIMENT 7: Accessibility for Specific Populations

Many jurisdictions report a lack of accessible housing for persons with disabilities, non-English-speaking people, formerly incarcerated people, formerly homeless people, seniors, and other specific populations—all direct fair housing issues.

Strategies and Actions for Overcoming this Impediment

- Fund housing placement services for people with disabilities to assist them in finding accessible housing

- Offer landlord incentives, such as leasing bonuses, for specific populations

- Conduct a research effort in collaboration with an academic institution to better understand the landlord population and create more evidence-based policy initiatives

- Increase marketing efforts of affordable housing units to people that typically face barriers and discrimination in fair housing choice, such as persons with disabilities, people of color, low-income families, seniors, new immigrants, and people experiencing homelessness

- To the extent practicable, use affordable housing funds for the construction of permanent supportive housing in developments in which 10-25% of units are set aside for persons with disabilities. Affirmatively market units to individuals with intellectual and developmental disabilities, their

families, and service providers

- Explore methods for nonprofit partners to assist in purchasing or master leasing affordable units within inclusionary market-rate developments, and set a portion of those units aside for persons with disabilities

- Develop and disseminate a best practices guide to credit screening in the rental housing context in order to discourage the use of strict credit score cut-offs and overreliance on eviction records

- For publicly-supported housing, develop protocols to ensure responsiveness to reasonable accommodation requests

IMPEDIMENT 8: Discrimination in Home Ownership and Rental Markets

Over time explicit, legal discrimination has given way to implicit, unwritten biases in mortgage access and lending policies and practices for people of color—specifically in high rates of denial of mortgages for African American and Hispanic households. In the rental housing market, discrimination against low-income people, minorities, immigrants, and LGBTQ people is also prevalent. People using Housing Choice Vouchers also face discrimination for their source of income.

Strategies and Actions for Overcoming this Impediment

- Work with communities to develop a community land trust for low-income residents that creates opportunities for affordable housing and home

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ownership, with specific inclusion for residents of color with historic connections to the area

- Explore creating incentives for landlords to rent to Housing Choice Voucher holders, such as a leasing bonus, damage claim reimbursement, security deposit and utility assistance

- Streamline Housing Choice Voucher administration so participation is easy for landlords

- Increase outreach to LGBTQ and immigrant stakeholder groups to provide "know your rights" materials regarding housing discrimination

- Emphasize bilingual fair housing services and activities to ensure all members know their housing rights and the benefits

- Proactively enforce source of income discrimination laws[16]

- Contract with local service providers to conduct fair housing testing in local apartment complexes

- Modify and standardize screening criteria to ensure access to housing for otherwise qualified applicants with credit challenges or criminal histories

- Educate landlords on criminal background screening in rental housing (using HUD fair housing guidance) and explore the feasibility of adopting ordinances

IMPEDIMENT 9: Coordination and Cooperation

There is fragmentation among jurisdictions and among fair housing advocacy groups. More regional cooperation is needed to address disproportionate housing needs and the jobs-housing balance across the region.

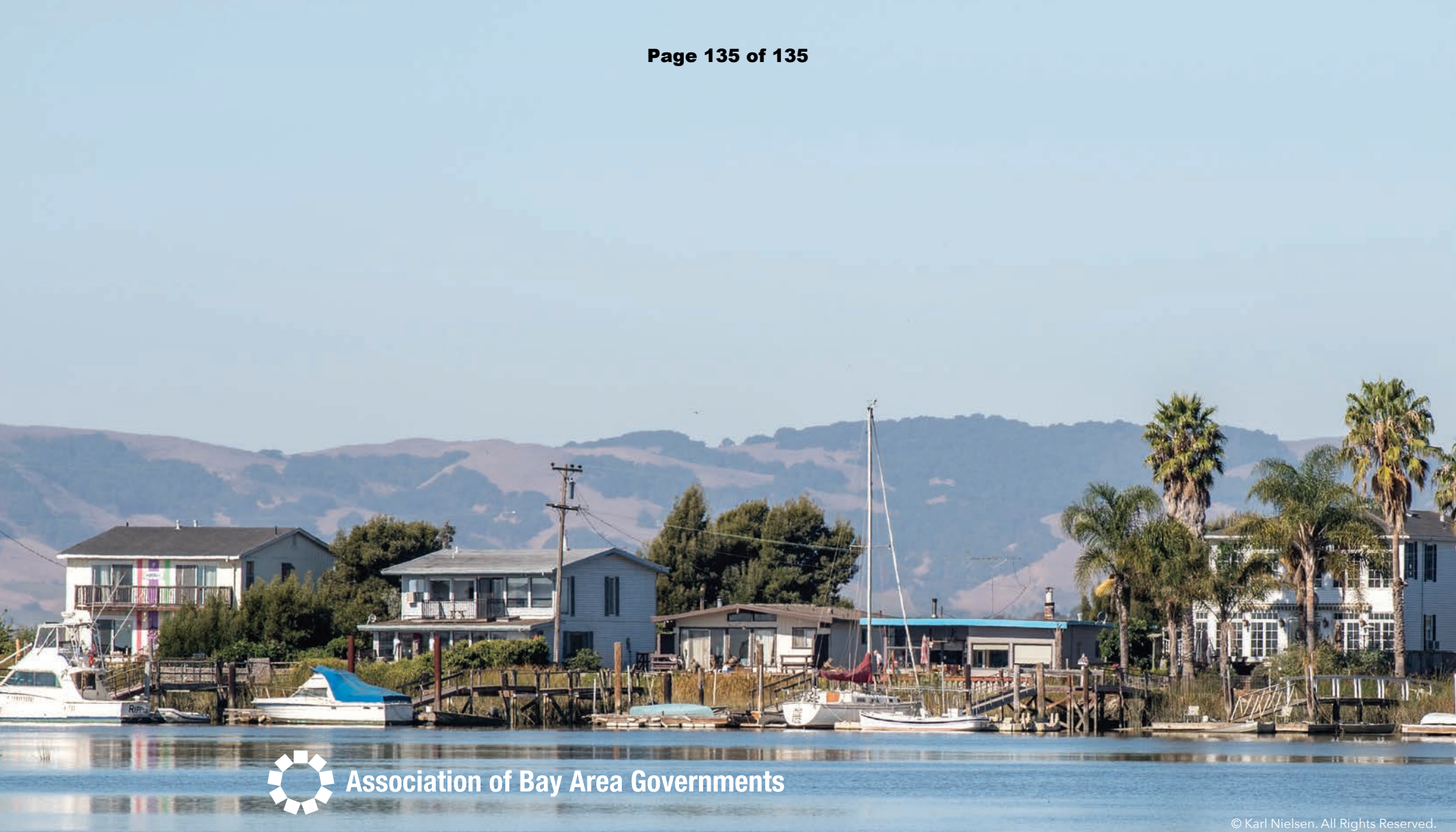**Strategies and Actions for Overcoming this Impediment**

- Expand ongoing interagency connections to support weatherization, energy efficiency, and climate adaptation for low-income residents

- Create a shared list of lenders countywide/regionwide that can help buyers access below-market-rate loans and sponsor down payment and mortgage assistance programs

- Collaborate on cross-jurisdictional informational databases or other resources for all aspects of housing

- Consider a sub-regional approach to share resources and possibly units to increase collaboration and production

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21 *Senate Bill 329, enacted in 2019, prohibits landlords from discriminating against tenants who use Housing Choice Vouchers or other government assistance to pay their rent.*

Images compiled by NPH Northern California

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