**Background/Discussion**

This memo provides an update on the RHNA 6 Housing Element Update process. In particular, it focuses on the Regional Housing Needs Allocation (RHNA).

Key deadlines for Housing Elements are summarized below:

June 2020 HCD released number for the region

July 2020 Draft Blueprint (which may affect RHNA allocations)

Fall 2020 Draft methodology / which may provide insight into the allocations

Dec 2020 Final Blueprint

Spring 2021 Final methodology / draft allocations

Winter 2021 Final allocations

Jan 2023 Housing Elements due

Because draft Housing Elements must be reviewed by the state, the timeline for completion of the draft Housing Element is Fall 2022.

As part of the Housing Element process, the California Department of Housing and Community Development (HCD) develops the total housing need determination (RHND) for the Bay Area for an eight-year planning period (RHNA Cycle). The Association of Bay Area Governments (ABAG) then develops a methodology and distributes a share of the region’s housing need to each jurisdiction. Each local government must then update the Housing Element of its general plan to show the locations where housing can be built and the policies and strategies necessary to meet the community’s housing needs.

On June 9, 2020, HCD provided the following RHND for the Bay Area, which will cover the period from 2023 to 2030 (RHNA 6):

|  |  |  |
| --- | --- | --- |
| **Income Category** | **Housing Unit Need** | **Percent** |
| Very Low Income (0-50% AMI\*) | 114,442 | 25.9% |
| Low Income (50-80% AMI) | 65,892 | 14.9% |
| Moderate Income (80-120% AMI) | 72,712 | 16.5% |
| Above Moderate Income (120%+ AMI) | 188,130 | 42.6% |
| **TOTAL** | **441,176** | **100%** |

\* Area Median Income

This is approximately 2.3 times higher than the RHND for the Bay Area for RHNA 5, which was **187,990**. ABAG did not appeal the RHND (and appeals are no longer allowed). The income breakdown did not change significantly from last cycle. The overall increase is similar to what other regions have experienced and is largely due to changes in the projection methodology to better account for overcrowding.

To assist in developing a RHNA distribution methodology, ABAG has convened a Housing Methodology Committee (HMC) consisting of elected officials and staff from each county, as well as stakeholders from interest groups. Santa Clara County’s representatives are Neysa Fligor, Vice Mayor, City of Los Altos; Michael Brilliot, Deputy Director for Citywide Planning, City of San Jose; Aarti Shrivastava, Assistant City Manager/Community Development Director, City of Mountain View.

Ultimately, the HMC will need to recommend a RHNA methodology that both assigns a total number of housing units to each Bay Area jurisdiction and distributes each jurisdiction’s allocation among the four affordability levels. The final methodology must be consistent with the development pattern outlined in *Plan Bay Area 2050*. Plan Bay Area is a separate but related long term visioning exercise. The methodology must satisfy the many statutory requirements for RHNA distribution, including:

* Increase housing supply and mix of housing types, tenure, and affordability in all cities and counties in an equitable manner throughout the region;
* Promote infill development and socioeconomic equity, protect environmental and agricultural resources, encourage efficient development patterns, and achieve GHG reductions targets;
* Promote improved intraregional jobs-housing relationship, including balance between low-wage jobs and affordable housing (jobs/housing fit);
* Balance disproportionate household income distributions (more high-income RHNA to lower-income areas and vice-versa); and,
* Affirmatively further fair housing.

The HMC has been meeting since October 2019 and is expected to finalize its recommendations by September for consideration by the ABAG Regional Planning Committee. At the June meeting, the committee voted to give higher allocations to jurisdictions that 1) have more jobs than housing or are near job centers and 2) have high opportunity areas. High opportunity areas are defined based on factors such as quality of schools and low crime.

While the implication for \_\_\_ will not be known until this fall at the earliest, it is anticipated that most communities in Santa Clara County will receive RHNA targets several times higher than in the past update cycle, meaning that most jurisdictions will need to rezone land to accommodate their RHNA. Rezoning often takes two years, meaning that the update process needs to begin soon.