



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

12

INFORMATIONAL
CITY COUNCIL MEETING
SEPTEMBER 14, 2020

AGENDA STAFF REPORT

ITEM SUBJECT: REGIONAL HOUSING NEEDS ALLOCATION CYCLE 6 (RHNA 6) OVERVIEW

SUMMARY: Every eight years the California Department of Housing and Community Development (HCD) develops a state-wide housing needs determination (RHND) number, based on projected needs in various income categories (see table below). HCD further breaks the RHND into regional assignments and then allocates a lump number of units to each area’s regional coalition of governments (COG). The Bay Area’s COG is the Association of Bay Area Governments (ABAG). This number is then assigned by the COG to the various jurisdictions within the region. This is known as the Regional Housing Needs Allocation (RHNA) process.

RHNA CYCLE 6

The state is currently in the sixth cycle of RHNA, which will cover the period from 2023 to 2030 (RHNA 6). On June 9, 2020, HCD provided ABAG the following RHND:

| 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

The Bay Area for RHNA 5 (2014-2022) was 187,990, making the RHNA 6 determination for the area approximately 2.3 times higher than the previous cycle; however, the income breakdown did not change significantly. The overall increase in the RHND is similar to what other regions have experienced (particularly Southern California), and is largely due to changes in the projection methodology to better account for overcrowding. ABAG did not appeal the RHND, and appeals are no longer allowed.

HOUSING METHODOLOGY COMMITTEE

ABAG has established a Housing Methodology Committee (HMC) charged with developing a distribution formula by which to allocate the cycle 6 RHND number. The HMC consists of elected officials and staff from each county, as well as stakeholders from interest groups.

Any methodology developed by the HMC must satisfy the many statutory requirements for RHNA distribution, including:

1. Increasing housing supply and mix of housing types, tenure, and affordability in all cities and counties in an equitable manner throughout the region;
2. Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, encouraging efficient development patterns, and achieving greenhouse gas (GHG) reductions targets;
3. Promoting an improved intraregional jobs-housing relationship, including a balance between low-wage jobs and affordable housing (jobs/housing fit);
4. Balancing disproportionate household income distributions (more high-income RHNA to lower-income areas and vice-versa); and,
5. Affirmatively further fair housing.

Using the above requirements as a guide, the final RHNA methodology recommended by HMC will assign a total number of housing units to each Bay Area jurisdiction and distribute that allocation among the four affordability levels identified in the table above.

The HMC has been meeting since October 2019 and is expected to finalize its recommendations this fall for consideration by the ABAG Regional Planning Committee.

LOCAL IMPLICATIONS

Once the RHNA 6 targets are assigned by ABAG each local government must update their Housing Element to reflect the Cycle 6 numbers. This update must identify the locations where the RHNA 6 housing allocations might be developed, and the supporting policies and strategies that the jurisdiction has developed to ensure achievement of their RHNA target within the current cycle.

The Building and Planning Department will be the lead on this effort for the Town and anticipates initiating this process beginning January 2021. Staff will return to the City Council at that time with a more detailed plan of action for review and discussion.

Key HCD deadlines for Bay Area RHNA 6 Housing Element updates are as follows:

June 2020: HCD released number for the region
Fall 2020: Draft methodology (may provide insight into the allocations)
Spring 2021: Final methodology (draft allocations)
Winter 2021: Final allocations
January 2023: Housing Elements due

FISCAL IMPACT: There is no fiscal impact associated with this agenda item.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this agenda item.

ATTACHMENTS: None

PREPARED BY: Sarah Fleming, Director of Building and Planning

RECOMMENDATION: For information only; no action required.