

6th Cycle RHNA and Housing Element Update

Item 8.4

October 27, 2020

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Housing Element Background

- Governed by State Housing Element Law
- Involves state, regional, and local government
 - HCD calculates regional housing need
 - ABAG creates allocation methodology and assigns shares to jurisdictions
 - City identifies sites to accommodate allocation and lists implementation policies
- Updated in 8-year planning cycles
 - 5th (current) cycle: 2014 to 2022
 - 6th (next) cycle: 2022 to 2030
 - Deadline to submit valid housing element to HCD: January 2023
- Compliant Housing Element required to remain eligible for some State and regional funds



City of San José
2014-2023 Housing Element

Adopted by City Council
January 27, 2015



ABAG Methodology Development

ABAG's Housing Methodology Committee (HMC) established to develop the draft methodology

- HMC met 12 times between October 18, 2019 and September 18, 2020
- Consisted of 37 members representing multiple jurisdictions and stakeholders
- Michael Brilliot was an HMC member



RHNA and Plan Bay Area 2050

- Initial staff recommendation: use Plan Bay Area 2050 **Blueprint** (“Blueprint”) **household growth** as baseline
 - Resulted in Santa Clara County receiving 45% of Bay Areas RHNA allocation
 - San Jose would have received largest absolute share, at 100,000+ units.
 - San Jose and the Cities Association expressed concerns
- Based on concerns, the HMC recommended **modified Blueprint** baseline using ***total households***
 - Uses total future households (existing in 2019 and projected new in 2050)
 - Approach addresses region’s equity issues and spreads housing allocation more evenly across the Bay Area

ABAG Methodology Development

- **HMC recommendation** to ABAG Executive Board: Blueprint with modified baseline, **“Option 8a “High Opportunity Areas Emphasis & Job Proximity”**
- October 15, 2020 – ABAG Executive Board approved release of HMC-recommended methodology

RHNA Allocations

- ABAG Executive Board-approved methodology reallocates some of the housing allocation from Santa Clara County cities, including San José, to other jurisdictions elsewhere in the Bay Area
- Still, Santa Clara County would receive the largest share of the allocation—almost 33% of the total RHNA allocation of the Bay Area, with nearly twice the proportional share or more of any other county

	Percent of Region's Total RHNA	Percent of Bay Area Households in 2019
Alameda County	19.42%	21.04%
Contra Costa County	9.96%	14.31%
Marin County	3.22%	3.82%
Napa County	0.87%	1.82%
San Francisco	16.34%	13.41%
San Mateo County	10.98%	9.79%
Santa Clara County	32.54%	23.54%
Solano County	2.70%	5.45%
Sonoma County	3.97%	6.84%

RHNA Allocation – San José

- San José allocation: **66,522** = 89.6% increase in RHNA over the current (5th) cycle
- Bay Area’s higher RHNA means a much higher RHNA for San Jose across all income levels
- Proportionally, San Jose receives less Very Low, Low, and Moderate Income housing, and more Above Moderate Income housing
- Why it matters:
 - Above Moderate Income housing is subject to fewer restrictions when developing the City’s Housing Element site inventory
 - The Housing Element’s site inventory must affirmatively further fair housing in locating planned homes by income level

Income Level	5 th Cycle RHNA	6 th Cycle RHNA	Growth Between Cycles	Percentage Point Change in Share of Total*
Very Low	9,233	16,931	83.4%	-0.9%
Low	5,428	9,437	73.9%	-1.3%
Moderate	6,188	11,344	83.3%	-0.6%
Above Moderate	14,231	29,350	106.2%	3.6%
Total	35,080	66,522	89.6%	–

*Percentages do not sum to 0 due to rounding

RHNA Allocations in Santa Clara County

City	Proposed 6 th Cycle Allocation	Increase Over 5 th Cycle	Household Growth from 2019 Households Due to RHNA
San José	66,522	90%	21%
South Bay Cities			
Campbell	3,964	325%	23%
Cupertino	6,222	485%	31%
Los Altos	2,267	375%	20%
Milpitas	6,579	100%	31%
Mountain View	11,380	289%	33%
Palo Alto	10,058	406%	36%
Santa Clara	12,047	194%	26%
Sunnyvale	12,998	138%	23%
Greater Bay Area Cities			
San Francisco	72,080	150%	20%
Oakland	27,286	85%	17%

Unincorporated Santa Clara County

- Methodology increases Santa Clara County RHNA:
 - Increase 1,394% from 277 (5th cycle) to 4,137 units
 - Driven by Blueprint baseline methodology
 - Assumption that Mid- Coyote and Almaden Valley Urban Reserves could be developed
- Proposed resolution: shifting a portion of the County's RHNA to cities in County, with shares allocated based on existing and projected household growth within their unincorporated urban service areas
 - Result in 1,560 to 2,240 additional units in San Jose

Next Steps

- Public Comment Period on ABAG proposed methodology: October 25 to November 24
- Public Hearing during ABAG Regional Planning Committee Meeting: November 12
- ABAG Executive Board approves allocation and subregion shares and submit to Department of Housing & Community: December 2020
- Planning Staff: collect data, make preliminary capacity estimates, preliminary site identification, outreach

Discussion/Q&A

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