

6th Cycle RHNA and Housing Element Update

Item 8.1

November 10, 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



The Bay Area's 6th Cycle RHNA

- Bay Area's 6th Cycle total RHNA is **441,176** new homes
- 135% increase over 5th Cycle total RHNA
 - Not as high as anticipated; Los Angeles Metro area received a 225% increase



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



ABAG Methodology Development

- Initial discussion to use Plan Bay Area 2050 Blueprint (“Blueprint”) as baseline
 - Blueprint is projecting 41% of the Bay Area’s household growth will occur in Santa Clara Co.
 - Would result in San Jose receiving 23% of allocation for entire Bay Area
- Alternate approach: Blueprint with modified baseline
 - 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
- 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

| | % of Region's Total RHNA | % 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

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 27
- Public Hearing during ABAG Regional Planning Committee Meeting: November 12, 1:00pm
- ABAG Executive Board Meeting: January 21, 2021; submits draft methodology to HCD
- HCD assigns final RHNA allocation to Bay Area local governments: late 2021
- Planning Staff: collect data, make preliminary capacity estimates, preliminary site identification, outreach
- City's Housing Element due to HCD: January 1, 2023

Discussion/Q&A

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