

Report on ABAG to MCCMC¹

January 2020

EXECUTIVE SUMMARY:

- 1) **ABAG General Assembly:** ABAG delegates -- please register for the ABAG General Assembly to be held on February 7, 2020 beginning at 9:00 am to: 1) examine the Regional Housing Needs Allocation (RHNA) process and the proposed new growth areas – High Resource Areas and Transit Rich Areas; and, 2) to adopt an amended 2019-2020 budget to accommodate an additional \$23.7M in Regional Early Action Planning Grant revenue. To register online: <https://www.eventbrite.com/e/association-of-bay-area-governments-special-general-assembly-tickets-88029068313>. See below for additional information and proposed agenda.
- 2) **AB 1487:** The MTC Chair and the ABAG President formed a joint committee composed of the ABAG Administrative and MTC Executive Committees (acting as a newly authorized Bay Area Housing Finance Authority or BAHFA) to begin discussing implementation of Assembly Bill 1487 (Chiu). They received a presentation from EMC Research Inc. who was hired by the Nonprofit Housing Association of Northern California to conduct a poll on a proposed \$0.35 per \$1000 assessed value General Obligation Bond. See below for additional information.
- 3) **REGIONAL GROWTH STRATEGIES:** Staff is recommending that High Resource Areas (HRAs) with ‘transit’ and ‘Transit-Rich Areas’ be identified by ABAG/MTC for additional housing growth and included in Plan Bay Area and RHNA. These areas would NOT be locally-nominated (like PDAs). See below for additional information.
- 4) **CONNECTIONS BETWEEN RHNA AND PLAN BAY AREA:** Staff is proposing that using growth forecasts from the Plan Bay Area 2050 Draft Blueprint and/or Final Blueprint as a factor for RHNA can be an effective way to ensure consistency between the Plan and RHNA. See below for additional information.

ABAG GENERAL ASSEMBLY: A General Assembly of all member cities and counties will be held on February 7, 2020 to: 1) examine the Regional Housing Needs Allocation (RHNA) process and the proposed new growth areas – High Resource Areas and Transit Rich Areas; and, 2) to adopt an amended 2019-2020 budget. The dramatic changes to RHNA and the expected increased numbers both at the regional and at the individual jurisdictional level, will have an impact on the Bay Area’s 101 cities and nine counties. This event provides an opportunity to discuss RHNA concerns among attendees at all levels of government. This Special General Assembly also includes a Business Meeting, which requires a quorum of the General Assembly members. The proposed agenda is:

9:00 – 9:10 a.m. Welcome from ABAG President, Berkeley Mayor Jesse Arreguin

9:10 – 10:45 a.m. The New Normal Panel: This panel provides an excellent opportunity for Bay Area elected officials to hear directly from key legislators involved in the robust housing legislative session as to the reasoning and background for the changes to Housing Law and to RHNA. There will be an opportunity for Q&A.

Panelists: Senator Scott Wiener, Assemblymember David Chiu, Assemblymember Buffy Wicks *invited*, Senator Jerry Hill *invited*, Senator Jim Beall *invited*

10:45 – 11:00 a.m. BREAK

11:00 a.m. – 12 noon Business Meeting

Vote on Budget Item – Quorum of the General Assembly Required
Separate Agenda

12 noon – 12:30 p.m. Lunch

12:30 – 1:45 Panel Sixth Cycle of RHNA, the Bay Area and Beyond

What’s in the new legislation? How does it impact the Bay Area and its local governments? Panelists will provide HCD’s statewide perspective, what the Bay Area can expect, and the process in the Bay Area and an update on the methodology. This panel will also discuss the ABAG implementation resources available from the State Trailer Bill.

¹ Marin County Council of Mayors and Councilmembers (MCCMC)

Panelists: Representative from California Housing and Community Development *invited*; Berkeley Mayor Jesse Arreguin, HMC Committee Chair and ABAG President; Gillian Adams, ABAG RHNA Project Manager; Daniel Saver, ABAG MTC Assistant Director of Housing and Local Planning

AB 1487: The MTC Chair and the ABAG President formed a joint committee composed of the ABAG Administrative and MTC Executive Committees (acting as a newly authorized Bay Area Housing Finance Authority or BAHFA) to begin discussing implementation of AB 1487 (Chiu). This Act, entitled the San Francisco Regional Housing Finance Act, established a new option to fund affordable housing in the 9-county SF Bay Area and gave authority to BAHFA to place a measure on the ballot, identify a revenue source and decide how to spend the regional share of funds. Each of the nine Counties is to develop expenditure plans for their respective portion of the funds. This Act established the following proposed funding options: General obligation (GO) bond funded by an ad valorem property tax; Parcel tax; Gross receipts tax; corporate (per employee) “head tax”; and, a commercial linkage fee (only authorized after voters approve a GO bond or parcel tax). At least 80 % of revenue from a GO bond, a parcel tax, or gross receipts tax would go back to the county of origin; and, at least 50% of revenue from a head tax would also return to the county of origin.

EMC Research Inc. was hired by the Nonprofit Housing Association of Northern California (NPH) to conduct a poll in November 2019 to determine the support level in the SF Bay Area for a regional housing measure. They tested a proposed \$0.35 per \$1000 assessed value General Obligation Bond. After studying the results, EMC concluded that the concerns about housing affordability continues to be at an all-time high and there is some support for a regional housing measure. But, as with any measure requiring a 2/3rds vote, neutralizing opposition will be critical; and that the right measure may be feasible, but additional work, a strong campaign, no opposition and the right environment is essential.

The joint committee discussed how best to frame the discussion of AB 1487 implementation at future workshops. Policy questions for discussion include, but are not limited to: What role should MTC/ABAG have in local elected official and public outreach to help inform the regional expenditure plan and overall structure of ballot measure? What additional information is needed from polling? How and at what point should MTC/ABAG reconcile housing and transportation measures priorities for the November 2020 ballot? Should there be a discussion of potential funding sources at this stage or is the committee comfortable focusing on a general obligations bond at this time, as currently supported by the measure’s primary proponents—the Nonprofit Housing Association of Northern California and Enterprise Community Partners.

REGIONAL GROWTH STRATEGIES: In previous reports, I have mentioned that staff is recommending that High Resource Areas (HRAs) with ‘transit’ and ‘Transit-Rich Areas’ be identified by ABAG/MTC for additional housing growth and included in Plan Bay Area and RHNA. These areas would NOT be locally-nominated (like PDAs). These recommendations will be brought before the General Assembly in February and the joint ABAG/MTC Workshop scheduled for January 31, 2020. I have mentioned that if ABAG and MTC incorporate HRAs close to transit in RHNA and Plan Bay Area 2050, that they narrow them down to those parcels that are zoned for housing and are feasible for development. Without this qualifier, it is possible that we would get higher RHNA allocations even those those parcels in the HRAs are not down the HRA’s to those parcels ABAG and MTC will be having a workshop in January 2020 to discuss this suggestion further since it would have significant ramifications for jurisdictions. To learn more about High Resource Areas (HRAs) as defined by the California Department of Housing and Community Development (HCD) refer to: https://haasinstitute.berkeley.edu/sites/default/files/mappings/TCAC/opportunity_map_2019.html.

CONNECTIONS BETWEEN RHNA AND PLAN BAY AREA 2050: Staff is proposing that using growth forecasts from the Plan Bay Area 2050 Draft Blueprint and/or Final Blueprint as a factor for RHNA can be an effective way to ensure consistency between the Plan and RHNA. ABAG has used the Plan as a significant component of the RHNA allocations in the past, although it should be noted that this is not required under state law.

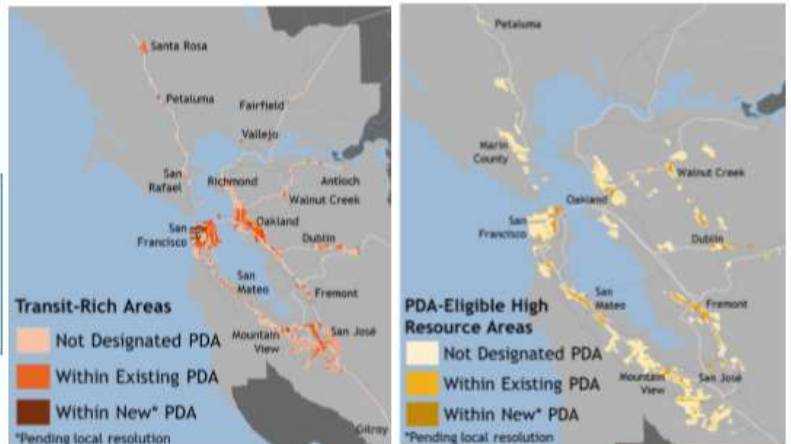
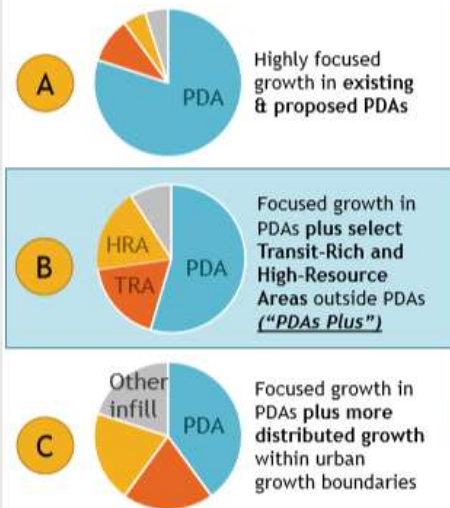
Both RHNA and Plan Bay Area 2050 must integrate future housing growth at all income levels, and both focus on the same geography – the nine-county San Francisco Bay Area. Plan Bay Area 2050 is driven by conceptual strategies to be advanced on the state, regional, or local levels – e.g., inclusionary zoning or development subsidies – designed to influence the location and type of growth. These strategies are integrated into a parcel-based simulation model,

UrbanSim 2.0, which forecasts the market feasibility of new development based on these assumed public policies and generates a future-year land use pattern.

Unlike Plan Bay Area 2050, RHNA is a factor-driven allocation process. Rather than forecasting future growth as driven by assumed public policies, the RHNA process is defined by metrics and factors that typically are used to craft a formula to allocate housing needs by income level. These factors can be reflective of current regional conditions, or they can include historic or future forecast data points. Unlike Plan Bay Area 2050, RHNA is focused on the short-to-medium term housing needs through the year 2030; it has a stronger implementation lens as it is directly related to Housing Elements on the local level. Lastly, unlike Plan Bay Area 2050’s Regional Growth Forecast which is developed by ABAG/MTC, the Regional Housing Needs Determination (RHND) used for RHNA is developed by the state Department of Housing and Community Development (HCD) with select opportunities for input by ABAG/ABAG staff is recommending that the RHNA methodology be integrated in the Plan Bay Area 2050 Blueprint to maximize consistency between the two efforts and to address a suite of important RHNA objectives and factors.

Staff has presented this concept to several ABAG and MTC committees including the Housing Methodology Committee (HMC) and has received mixed responses. Many HMC members noted it was premature to do so, lacking direction from the boards on the strategies to be integrated into Plan Bay Area 2050 Blueprint. Other members flagged the focus of past plans on Priority Development Areas, noting that voluntary nature of PDAs may make it harder to reach equity and GHG reduction outcomes. This will be a topic for the ABAG/MTC workshop scheduled for January 31, 2020.

Integrating New Geographies into PBA 2050 Blueprint: An Opportunity to Strengthen Consistency with RHNA



Sources: California HCD, 2019; MTC/ABAG, 2019
No TRAs or PDA-Eligible HRAs exist beyond the cropped areas of either map.

UPCOMING MEETINGS²

- January 24, 2020 -- ABAG Housing Methodology Committee, 10:00 to 1:00 pm
- January 31, 2020 -- Joint ABAG Executive Board and MTC Commission workshop, 9:30 am (Dublin, CA)
- February 5, 2020 -- ABAG Regional Planning Committee, 1:00 to 3:00 pm
- February 7, 2020 -- ABAG General Assembly, 9:00 a.m. to 2:30 p.m
- February 11, 2020 -- ABAG Housing Methodology Committee, 10:00 to 1:00 pm
- February 14, 2020 -- Joint ABAG and MTC Legislative Committees, 9:30 am
Joint ABAG Administrative/MTC Planning Committees, 9:40 am
- February 20, 2020 -- ABAG Executive Board, 7:00 pm
- February 26, 2020 -- MTC Commission, 9:30 am
ABAG/MTC Governance Committee, 11:30 am

If you have questions, contact Pat Eklund, Mayor Pro Tem, City of Novato at 415-883-9116; pateklund@comcast.net.

² All meetings are held at 375 Beale Street in San Francisco, unless noted otherwise.