

# ABAG Report to MCCMC<sup>1</sup>

May 2026

**EXECUTIVE SUMMARY:** This report highlights: 1) Upcoming General Assembly – June 18, 2026; 2) Proposed Operating Budget and Workplan for FY 2026-2027; 3) Regional Housing Needs Allocation; 4) ABAG Housing Committee and Bay Area Housing Finance Authority; 5) Retirement of Caitlin Sweeny, Executive Director of the SF Bay Estuary Partnership; 6) SB 979 (Strickland): Regional Housing Needs Allocation (RHNA); and, AB 2508 (Hoover): Eliminates the Public Utilities Public Purpose Programs Fund and replaces it with funding from the Greenhouse Gas Reduction Fund.

**ABAG GENERAL ASSEMBLY:** The ABAG delegates from 101 cities and towns; and, the 9 counties within the SF Bay Area will convene on June 18, 2026 starting at 10:00 am to vote on the proposed FY 2026-2027 budget and workplan; and, on the Executive Board's nomination for President and Vice President of ABAG for the FY 2026-2028 term. All delegates from cities and counties are encouraged to attend. More information coming from ABAG.

**OPERATING BUDGET AND WORKPLAN FOR FY 2026-2027:** On May 21, 2026, the ABAG Executive Board approved bringing forward the proposed operating budget and workplan for FY 2026-2027 to the General Assembly for final review and approval on June 18, 2026. This Operating Budget also identifies the annual membership fee and assessment schedules, as well as, a summary of revenues and expenses – both actual and projected – for the current and projected – both actual and projected for the current and upcoming fiscal years.

The proposed ABAG Work Program for FY 2026-27 provides an overview of all programs and initiatives undertaken by ABAG. It highlights key accomplishments from FY 2025-26 and outlines planned activities for FY 2026-27 across core areas, including Regional Planning and Collaboration, Public Engagement, Data Strategy and Analytics, Housing and Energy, Water Quality Improvements, Habitat Restoration, and Climate Adaptation, and Legislation and Public Affairs. In addition, the proposed budget reflects the allocation of revenues and expenditures across all operating funds, including ABAG Administration, the Bay Area Regional Energy Network (BayREN), and the San Francisco Estuary Partnership (SFEP).

Separate from this item, the FY 2026-27 operating budgets for the ABAG Finance Authority for Nonprofit Corporations (FAN) and ABAG Publicly Owned Energy Resources (POWER) will be presented to their respective governing boards for review and approval. The General Assembly is not required to approve these workplans and budgets since their funding sources are different from ABAG.

**REGIONAL HOUSING NEEDS ALLOCATION (RHNA) – CYCLE 7:** RHNA is the state-required process to determine the number of housing units, by affordability level, that every local jurisdiction in the region must accommodate in the Housing Element of its General Plan. The California Department of Housing and Community Development

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<sup>1</sup> Marin County Council of Mayors and Councilmembers (MCCMC). For questions, contact Councilmember Pat Eklund; City of Novato at: pateklund@comcast.net; and/or 415-336-9913 (cell).

(CA HCD) develops the total housing need for the region, called the **Regional Housing Need Determination (RHND)**. ABAG must develop a methodology to distribute this need to local jurisdictions. Housing Elements must be certified by CA HCD every eight years. **The upcoming 7th cycle of RHNA covers the planning period of 2031 to 2039; Housing Elements must be adopted by January 31, 2031.**

Due to earlier changes in state law, the Bay Area saw a **significant increase in its RHND during the last RHNA cycle, rising from 187,990 in Cycle 5 to 441,176 in Cycle 6.** Staff anticipates that the upcoming RHND for **Cycle 7 will likely be larger than the last cycle due to recent changes in state law, such as the requirement to consider the housing needs of individuals and families experiencing homelessness.**

Attachment 1 provides a more detailed explanation of the changes to the RHNA process for the upcoming cycle as mandated by the State of California.

**ABAG HOUSING COMMITTEE AND BAY AREA HOUSING FINANCE AUTHORITY:**

On May 13, 2026 the ABAG Housing Committee and the Bay Area Housing Finance Authority met to get an update on BAHFA’s new construction and preservation project awards in the SF Bay Area. BAHFA’s new construction and preservation funding is provided through five programs that are identified on the following chart and explained in detail following the chart below.

Following are the projects that BAHFA has financed at 4 sites in Marin County:

Jurisdiction	Project/Site/Developer	Program/Type of Assistance	Funding	Affordable Homes Assisted	Total Homes
Corte Madera	Fifer & Nelien	Priority Sites Technical Assistance	\$76,000	TBD	120
San Rafael	San Rafael Public Sites Portfolio	Priority Sites Technical Assistance	\$160,000	TBD	300
San Rafael	400 Canal Street/Tesseract Capital Group	Welfare Tax Exemption	\$5,000	94	99
Unincorporated	St. Vincent’s	Priority Sites Technical Assistance	\$45,000	TBD	680
<b>TOTAL</b>			<b>\$286,000</b>	<b>94</b>	<b>1,199</b>

- **Priority Sites Loan Program:** Priority sites are properties identified by communities to help meet local and regional housing needs. These sites include declining malls, recently closed public facilities, transit station parking lots and unused school district land. The sites include, or are nearby, essential services, green space and frequent public transit. Program loans enable projects to complete predevelopment work necessary to receive full financing and break ground.
- **Priority Sites Technical Assistance Program** enables local governments and emerging developers to envision and entitle projects identified as community priorities.
- **Preservation Loan Pilot** preserves affordable housing and protects residents by helping mission-driven organizations buy and rehabilitate residential properties, which are then converted to permanently affordable housing.

- **Preservation Technical Assistance Grant Program** assists with upfront consulting costs of preservation projects to help mission-driven organizations accelerate their timelines from predevelopment to purchasing the property.
- **Welfare Tax Exemption Program** provides the \$5,000 in public sector support that mission-driven developers need to qualify for property tax relief under state laws.

Following is a chart showing the total funding, number of affordable homes and total homes and number of sites for each County in the SF Bay Area:

COUNTY	FUNDING	AFFORDABLE HOMES*	TOTAL HOMES	NUMBER OF SITES
Alameda	\$14,669,225	731*	9,165	7
Contra Costa	\$4,080,650	425*	3,850	13
Marin	\$285,000	94*	199	4
Napa	\$3,245,000	12*	492	3
San Francisco	\$7,250,000	115	8016	2
San Mateo	\$4,755,000	367	2,750	4
Santa Clara	\$11,850,825	657*	2,404	11
Solano	0	0	0	0
Sonoma	\$4,750,000	18*	518	2
<b>TOTAL:</b>	<b>\$50,885,700</b>	<b>2,419*</b>	<b>27,394</b>	<b>46</b>

\*not all affordable homes have been identified as of May 2026.

### **RETIREMENT OF CAITLIN SWEENEY, EXECUTIVE DIRECTOR, SF BAY ESTUARY PARTNERSHIP:**

On May 21, 2026, the ABAG Executive Board recognized Caitlin Sweeney, Executive Director of the SF Estuary Partnership for her many contributions to the restoration and enhancement of the SF Bay and Estuary. Caitlin is only the third Director to lead the San Francisco Estuary Partnership in its 39-year history. Caitlin worked for the CA Coastal Commission, the Bay Conservation and Development Commission prior to being hired as the Executive Director. Caitlin's service of more than a decade of leadership and service to the San Francisco Estuary Partnership resulted in many improvements and accomplishments. One of her many accomplishments included securing funding from the US Environmental Protection Agency that resulted in several novel nature-based solutions at Oro Loma Horizontal Levee, leading to the construction of the first ever Horizontal Levee in the San Francisco Bay and demonstrating her core value of turning science and policy into action. The ABAG Executive Board has begun the recruitment to fill the Executive Director position for the SF Bay Estuary Partnership.

**PROPOSED STATE LEGISLATION:** In May, ABAG Executive Board voted to oppose both bills as recommended by the ABAG Legislative Committee

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- 1) **Senate Bill 979** (Strickland) -- changes the current Regional Housing Needs Allocation (RHNA) by subjecting final RHNA determinations to judicial review.
- 2) **Assembly Bill 2508** (Hoover) -- would eliminate the Public Utilities Public Purpose Programs Fund which is the ratepayer-based funding stream for energy efficiency programs, such as BayREN, and replaces it with funding from the Greenhouse Gas Reduction Fund, which is, unfortunately, subject to annual appropriations by the State legislature.

# ATTACHMENT 1

Since the last RHNA cycle, the CA Legislature adopted several changes to the RHNA legislation including the following:

1. **Earlier RHND**: CA HCD is now required to provide the RHND **one year earlier** (three years prior to the Housing Element deadline, instead of two years) which means that this cycle of Housing Elements will be due by **January 31, 2031**. To achieve this deadline, ABAG will need to submit the RHND for each city/town and county by **January 31, 2028**.
2. **Homelessness**: HCD is now required to consider the housing needs of individuals and families experiencing homelessness when developing the RHND. By statute, HCD must consult with ABAG on the data sources to be used to determine this need
3. **Cost Burdened and Overcrowded Households**: HCD must now consider the percentage of households that are cost burdened and the percentage of households that are overcrowded in the region and throughout the nation when determining the RHND. Previously, HCD considered the percentage of cost burdened and over-crowded households in the region and in comparable regions in the country.
4. **Affordability Levels**: The RHND, RHNA allocation and Housing Elements must now include separate categories for acutely low- and extremely low-income households, which were previously grouped together in the very low-income category.
5. **University Enrollment**: The RHND and RHNA allocation methodology must now consider student enrollment at campuses of the University of California (UC) and California State University (CSU)
6. **Climate Factors**: The RHNA allocation methodology must now consider climate-related factors, including evacuation route capacity, wildfire risk and sea level rise. These factors will be considered alongside other statutorily required factors.
7. **Plan Bay Area**: The RHNA allocation is required to be “informed” by Plan Bay Area whereas previously it was required to be “consistent” with Plan Bay Area.
8. **Subregions**: The allocation to subregions must now be the same proportion as the subregion’s share of the adopted RHNA plan from the previous cycle. For example, if the participating jurisdictions in a subregion received five percent of the previous RHND based on the methodology contained in the last RHNA, then the subregion would receive five percent of the new RHND for this cycle as well.
9. **Timelines**: Various changes were made to the timelines that govern RHNA to speed up the process. For example, the time HCD has to review an adopted RHNA methodology was reduced from 90 to 45 days, and the time HCD has to determine if a final allocation plan is consistent with existing and projected housing need was reduced from 30 to 15 days.

Following are the proposed milestones for the next RHNA Process for ABAG followed by the steps to achieve an approved Housing Element:

<b>Key RHNA Milestones</b>	<b>Date</b>
ABAG consultation with HCD on RHND	Late 2027
Housing Methodology Committee advises on methodology	Fall 2027 – Fall 2028
HCD issues RHND	Early 2028
Subregions form	Early 2028
ABAG submits draft methodology to HCD for approval	Early 2029

**1. Regional Allocation:** HCD consults with ABAG regarding the assumptions and methodology to be used to determine the total housing need for the region and then issues the RHND.

**2. Draft Methodology Development:** ABAG is responsible for developing a methodology to allocate the regional housing need to local governments consistent with state law. In past cycles, ABAG convened an ad-hoc Housing Methodology Committee (HMC) comprised of elected officials, local staff and regional stakeholders to advise ABAG staff on the allocation methodology. In addition, state law requires ABAG to survey local jurisdictions for input.

**3. Draft Methodology Approval by HCD and Draft Allocations:** ABAG is required to submit the draft allocation methodology to HCD for review. Following HCD’s approval, ABAG adopts the final methodology and issues draft allocations to jurisdictions.

**4. Appeals and Final Allocations:** Jurisdictions and HCD have an opportunity to appeal a jurisdiction’s draft allocation. After ABAG acts on the appeals, it adopts final allocations to jurisdictions. At this point, ABAG’s role in the RHNA process concludes.

**5. Housing Elements:** Local jurisdictions update their Housing Elements to show how they plan to accommodate their housing allocations. The Housing Element must include an inventory of sites that have been zoned for sufficient capacity to accommodate the allocation. Local jurisdictions submit their updated Housing Element to HCD for certification.