

## Episode 21: Association of Bay Area Governments(ABAG)

00;00;01;23 - 00;00;31;00

JS: Welcome to Dwellings, a podcast from the City of San José Housing Department, where we talk with experts about ending homelessness, building affordable housing, and exploring housing policies at the city and state level. I'm your host Jeff Scott for season 4 of Dwellings. On this episode, I'm joined by Gillian Adams, principal planner for the Association of Bay Area Government, also known as ABAG. We'll be discussing ABAG's role in helping cities and counties in the Bay Area meet their housing requirements.

00;00;33;09 - 00;01;13;09

GA: Thanks for having me today. I'm Gillian Adams. I'm a principal planner here at ABAG which stands for the Association of Bay Area Governments, and we are the Council of Governments for the nine County Bay Area. So an opportunity for local governments within the region to come together and discuss issues. And specifically for RHNA, that's kind of our state mandate to conduct the RHNA process. And so I was the project manager for our recently completed six cycle process, the Regional Housing Needs Allocation, and that's maybe my, I think third opportunity to work on RHNA.

00;01;13;18 - 00;01;21;12

JS: Well, great. And as you just said, RHNA is R-H-N-A the regional housing needs assessment is that did I get that right?

00;01;21;14 - 00;01;23;15

GA: Yes, it's either assessment or allocation.

00;01;23;20 - 00;01;31;14

JS: Can you tell us a little bit about RHNA? What exactly is it and what is the mandate that cities have to comply with?

00;01;31;16 - 00;02;21;07

GA: So RHNA is part of California state law. It's known as the housing element law. It's existed since 1969. And a specific requirements that do change over time. But at its core, the law requires all cities, towns and the unincorporated counties in the in the state. All of California, to adequately plan to meet the housing needs of everyone in their community. And the RHNA, that is specifically the part of housing on law that's used to determine a minimum number of new houses and the affordability of those homes

that each local government has to plan for in the housing element of their general plan. It's something that's done every eight years. So the jurisdictions have either finished or are working on their housing elements to cover the period from 2023 to 2031.

00;02;21;26 - 00;02;33;27

JS: When when a a city or town is trying to comply with RHNA, is there any construction mandate building mandate that goes along with it, or is it strictly a planning exercise?

00;02;33;29 - 00;03;51;02

GA: I guess what I would say is for RHNA specifically, it's a planning mandate and so what what jurisdictions are required to do in their housing element is to identify specific sites where they're going to have zoning in place or going to change the zoning to accommodate the number of housing units that they've been assigned to through the RHNA process. I will say that there are some laws that have been passed in the last several years that do take into account jurisdictions progress in meeting their RHNA goals. So for example, SB 35 is one where if a jurisdiction is sort of not meeting, making enough progress and meeting the RHNA numbers over the years, then they can be subject to SB 35, which is essentially allows it's kind of complicated, but it basically requires that local governments use what's called a streamlined ministerial approval process, which essentially just remove some of the discretion and I guess I would say for four local governments. So a ministerial just means that you're sort of answering yes or no questions. You don't have a lot of any discretion over the approval of a project that's proposed if it has a certain number of affordable units included in it.

00;03;51;24 - 00;04;04;18

JS: I've read lately about something called the Builder's Remedy. When you talk about ministerial approval or streamed line approval. Are we talking about the builder's remedy or is that something completely different?

00;04;04;21 - 00;04;55;16

GA: There are actually two different things, but there's I guess I would say there's similar ideas. So the builder's remedy is essentially that if a if a local government has not had its housing element certified by the state, which is the State Department of Housing and Community Development by a certain deadline and a deadline for per the Bay Area jurisdiction, as well as January 31st of this year. So if a jurisdiction doesn't have a certified housing element, then the builder's remedy, which is is part of a separate law called the Housing Accountability Act, allows essentially has the same impact of removing some of the local governments ability to sort of deny or change projects. And so it allows projects to be approved, even if they're inconsistent with the jurisdictions zoning.

00;04;55;16 - 00;05;02;21

JS: This cycle has to happen every eight years. What are the options when you start to run low on new space to build?

00;05;02;23 - 00;06;30;23

GA: Yeah, that's a really good question. And I think, you know, most of the jurisdictions within the Bay Area are kind of getting to that point of they don't necessarily have vacant sites or vacant land that can be sort of converted to housing. So a lot of them are faced with increasing the amount of out homes and maybe apartments that can be built on a particular parcel. You know, there are other strategies such as accessory dwelling units. So that's kind of I think a lot of places are looking into that. So that's where you add, you know, what's granny flats or things like that. So a backyard cottage or something like that. So thinking about ways to take, you know, the existing sort of pattern of homes, which in a lot of cases are single family homes on relatively large lots and thinking about ways to increase the number of homes that are in that existing space, I guess I would say a lot of cities are thinking about, you know, not having places that are zoned exclusively for single family homes. So trying to allow for more duplexes or triplexes small apartment buildings, which are some of the housing types that used to exist, but that were sort of outlawed in a lot of jurisdictions and thinking about ways to avoid sort of sprawling out and using up greenfield sites or agricultural land and trying to increase in density within the places that have already been developed.

00;06;31;21 - 00;07;19;15

JS: One of the things that I hear from people who perhaps oppose greater housing or greater density are arguments like, well, if we if we increase the density in an area that wasn't originally contemplated for that, we're going to run into issues like we're going to stretch our infrastructure too thin and we're going to run out of parking or we're going to overcrowd our schools because none of these things were developed with this greater dense housing density in mind. I guess in your experience as an expert in this area, do most of those arguments hold water? And if so, are there things that jurisdictions can do to address those concerns so that we can both add the housing and also address those those issues?

00;07;20;19 - 00;08;53;23

GA: I mean, you know, there's kind of both sides of some of those arguments, right? So when you talk about infrastructure, when you're doing what's called infill development, where it's kind of filling in places that have already been developed, you do have the opportunity to take advantage of existing infrastructure as opposed to taking on the cost of extending infrastructure and then having to maintain that extended infrastructure. I think, you know, there's also a ways in which, for example, multi-family housing is more generally more water efficient, for example, than a single family home. You know, smaller units, people don't have yards to maintain. So I think there is ways in which there are some benefits of a more compact kind of style of development. I also think, you know, I think there's challenges, too, with I know traffic comes up a lot in the sense of, you know, more people in a smaller

space, but the more people that you have, the sort of population density in a place, you also want a more opportunities for walking, biking, you know, public transit service. It's really hard for transit to serve a sort of lower density, single family neighborhood. But when there's enough people to sort of support better, say, bus service, then that becomes an opportunity. Right. So I think there's I think part of the challenge is not maybe not all of those things can happen at the same time. And so there's probably some places where it's a bit of a chicken and egg, like the housing times, maybe there's some traffic challenges and then the next step is figuring out how to accommodate that growth and as you said, sort of plan for how all of those pieces have to fit together.

00;08;54;00 - 00;09;09;04

JS: As a planner. Are there tools, formulas, rules of thumb, things that you can do to help ensure that the planning for new housing is more or less equally spread out across a jurisdiction?

00;09;09;06 - 00;10;43;05

GA: Yeah, that's actually one of the things that's that was emphasized more in this this most recent RHNA cycle. So there's there's a concept called affirmatively furthering fair housing and that was added to the sort of there's kind of five overarching objectives RHNA that was added as an objective and also as local jurisdictions are doing their housing element, which is where they make those decisions about zoning sites for for housing. So they're choosing the locations within their community that they're planning for more housing, that the state is really emphasizing this concept, which is essentially trying to overcome patterns of segregation and also sort of open up areas of opportunity to people at all income levels. Right. So I think in particular, I think that concept is helping with what you were describing of, you know, maybe not having all the housing in only certain locations or I think even more specifically, is affordable housing only being in certain locations and trying to make sure that affirmatively furthering fair housing is kind of comes from the idea of making sure that lower income households have access to the parts of a community in the neighborhoods where they have good schools and well resourced schools and job opportunities and access to transportation and all of that. And so I think that has helped push, I think, jurisdictions to think a little bit more holistically about their whole community, about where housing should go.

00;10;43;19 - 00;10;58;27

JS: Throughout the process. Are there goals for both or targets for both? Total number of housing, new housing units that have to be planned and also the number of affordable housing units that be planned? Or is it all kind of lumped together just generically as housing units?

00;10;58;29 - 00;11;52;02

GA: It actually has. So the allocation, the way that the RHNA process starts is the state assigns a total number of housing units that each region has to accommodate. And so for the Bay Area, this past cycle

it was about 441,000 units. And when we get that number from the state, it's broken up into four different income categories. And so it covers everybody from very low income households all the way up to sort of what they call above moderate income households, which was people that are basically able to afford kind of market rate housing. And so that's how the units get allocated. A jurisdiction receives an allocation of a specific number of units at each of those four income categories. And so it is trying to address, you know, again, making sure that we're providing housing units for everybody, not just kind of relying on the market.

00;11;52;24 - 00;12;28;16

JS: In that case when we're trying to, as you said, affirmatively further for housing, we're trying to open up new opportunities for people at all income levels. Is there some kind of creativity that's required in the planning process to maybe take a well resourced area where maybe the typical parcel size might be a quarter of an acre or half an acre without completely changing the character of that neighborhood and still somehow trying to find opportunities to build or plan for housing for lower income families and lower income households.

00;12;28;18 - 00;14;02;03

GA: Yeah. You know, I think that I think what you're getting at is a really significant challenge. So some of the things that I mentioned earlier about trying to get, you know, higher amount of sort of units within the existing space. I think some of that can help, right? So those accessory dwelling units can be more affordable. They aren't always, but they can be. And I think there is there is a push for, you know, again, every community to try to think about places where, you know, you can fit in more housing, you know, So, for example, a place that's predominantly single family homes, maybe they have the ability to put in some smaller apartment buildings that are tall structures that are going to be a jarring contrast for the people in the community. I guess I would say social equity has always been a component of the RHNA and methodology and the RHNA process. And, you know, it's one of the desired outcomes and requirements for RHNA. But I think this emphasis on affirmatively furthering fair housing has really been more of a more of a priority, I guess I would say, in this RHNA cycle. And so I think it's going to be interesting to see how they try to accommodate that. I think that's part of what everyone's struggling with right now as they're doing their housing elements, and I think it'll be interesting to see how it works out. There's you know, I think there's funding for affordable housing. Sometimes it's easier to do if there are bigger buildings. And so how does that work when you're trying to to kind of fit into existing the way that the existing pattern of pattern of homes is?

00;14;02;13 - 00;14;21;09

JS: How is each cities, each jurisdiction is allotment or portion of that 400,000? How is that calculated? Because obviously a city the size of San Jose with a million people, I would assume would have a much higher number than a city that's got 30 or 40,000 people.

00;14;21;11 - 00;15;56;05

GA: I guess what I would say is that it's complicated. And so this is the part of the work that it is responsible for is taking that number that we get from the state and figuring out what the sort of the methodology. And really it comes down to almost a mathematical formula is for assigning a share of that 441,000 units to each local government. I think if people are interested in how it exactly works, we have a document on the website that goes into detail about our methodology. But for this cycle we every time we do RHNA, it's kind of it is a bit of a blank slate. There's the rules that we have to follow from the statutory language. And again, they kind of change cycle the cycle a little bit. Some things get added, but the way that ABAG has traditionally done, our RHNA process is to start by convening a what we call a housing methodology committee. And so it's made up of elected officials from cities and towns and counties in the region, as well as local jurisdiction staff and then and a whole suite of different stakeholders from within the region. So people who have backgrounds in housing development, affordable and market rate and education and and public health and, you know, public transit as a way of helping us work through this process of coming up with the methodology. And so this time, what we that the major components of our methodology are we start with the forecasted number of households that a jurisdiction will have in the year 2050.

00;15;57;01 - 00;17;00;29

GA: So looking at basically taking into account the size of the jurisdiction now. So as you pointed out, San Jose is going to have a very different number than a smaller community. And then it also factor has factors related to access to higher opportunity areas. So that's partly related to that concept of affirmatively furthering fair housing and then also proximity to jobs through either by taking transit or by driving. So again, trying to think about those travel patterns and wanting to make sure that our housing and jobs are as balanced as possible. And so those are kind of the factors that went into securing out what number each jurisdiction gets. And so starting with, again, sort of their future population, future expected number of households and then adjusting them up and down based on how they compare to other jurisdictions and jurisdictions in the region and on that access to higher opportunity areas or job proximity.

00;17;02;03 - 00;17;40;08

JS: As you're calculating its city or its towns obligation, does the past performance figure into that? And so what I mean by that is you could have one city that has been historically very good about meeting their rent goals every cycle and another city that maybe doesn't or a city that struggles to meet. So then their baseline at the beginning of the next cycle are different. And so is there some way to try to balance that out or take that into consideration? So the high performing cities don't consider don't continually have to take more and more of the burden because they were good the last time.

00;17;42;19 - 00;18;19;10

GA: That was a conversation that we had with our housing methodology committee members and they chose not to have a specific factor that kind of took into account past performance. I think there's sometimes jurisdictions want to use lack of growth as a as an argument for having a smaller RHNA. And that's actually they recently changed that and state law where that's not allowed. But I do think it would be possible to have something, like you said, where if you've done your building housing and you've done your part in the past, you could consider that. But that wasn't part of what our group wanted to do this time.

00;18;19;27 - 00;18;36;28

JS: I'm just curious. Prior to 1969, there must have been something happening that led to this state law that led to this new policy statewide. So do you have any insight into what the history of it was and what drove the creation of it in the first place?

00;18;37;01 - 00;18;50;23

GA: You know, I have to say I don't I don't know if it was just sort of a sense of good planning would be to make sure that you're you're planning for housing or if there was, you know, some specific event or something that caused it. But I don't know.

00;18;50;25 - 00;19;12;21

JS: Since since RHNA came into existence roughly 50 years ago ish. Can you give us a sense of of whether it's been an effective tool for planners around the state, whether it has, if not fully accomplished all of its goals as it has it at least helped move us forward and move us closer to getting adequate housing?

00;19;12;23 - 00;20;38;26

GA: I guess what I would say is I think that the process of sort of requiring local governments to consider housing and to take that step of actually zoning land for new homes has led to increased housing. But I guess I would also say that, you know, the high housing costs in a lot of the regions in California I think is evidence that it hasn't it hasn't been entirely successful. And I think, you know, there's been actually a lot of changes to RHNA in the last kind of five years or so in terms of trying to fix it and make it more effective and impactful. And I guess, you know, one of the changes, you know, that was particularly significant for this cycle was changes to how the state and HCD identify that total number of housing units that we have to plan for. So again, this time it was 141,000, but the last cycle it was about 188, I think. Right. So now we sort of more than doubled the amount of housing that we have to plan for in the way that they did. That was it has always been based on sort of a demographic forecast of, you know, the expected number of people who are going to need who are going to be forming households within the region, either by people who are born, you know, become of an age or they want to form a household or people moving into the state.

00;20;39;11 - 00;22;04;29

GA: And this time they added factors that relate to overcrowded households or households that are paying more than they should be for housing. So cost spread households as well as kind of a target vacancy rate. And all of those what I guess I would call sort of symptoms of a housing market that isn't working correctly led to the increase in the total number of units that the region has to plan for. So I think that's one step that they've taken to, again, try to make RHNA more effective. And I think also that change of emphasizing affirmatively furthering fair housing is another way in which they're trying to achieve a more equitable sort of housing pattern in the region. So I think I guess, you know, it's going to be as I said, there's a lot of changes that went into this cycle. So I think it will be really interesting to see what impact they have. You know, is it does it help local jurisdictions become more effective at approving housing units or I mean, I think I think one of the challenges for local governments is they're not entirely in control of whether housing gets built or not. Right. So they can I think RHNA really focuses on trying to make sure that the planning that local governments do and the ways in which they approve development projects is not what's holding development back.

00;22;05;27 - 00;22;56;08

GA: But, you know, we have significant challenges related to, you know, our construction workforce, right? There's not enough there's not actually enough people to build all the housing we need. So I think there's efforts, you know, parallel efforts, I guess, I would say, to trying to address some of those issues as well. And I think, you know, one of the biggest challenges is, you know, we have a need for homes that are affordable, which usually requires some sort of public subsidy. And there's just not enough money to go around to to achieve the number of truly affordable units that we're looking for. And so I think, you know, hopefully that the the work that local governments are doing in their housing elements and trying to accommodate will also spur some extra effort in trying to identify what could be some additional funding sources to make those affordable units happen.

00;22;56;22 - 00;23;15;15

JS: When a city or town is trying to plan for the next RHNA cycle, are they able to count as new units or potential new units conversions? For example, if a hotel is purchased or motels purchased and converted into an apartment, could those units be counted towards the city's RHNA obligation?

00;23;15;16 - 00;23;44;02

GA: You know I have to be honest that I don't know all the rules around that. When it gets to the question of sort of what counts for meeting the RHNA obligation, that's a conversation between the jurisdiction and the state. So state HCD is responsible for both reviewing and confirming that of local jurisdictions housing element complies with state law but also tracking their progress or over the eight year cycle. And so I just don't know all the details on what counts.



00;23;44;02 - 00;24;01;01

JS: When cities and towns get through this planning process. Do they typically each do it alone? So San Jose does its own, Sunnyvale does its own, etc.? Or is there any sort of regional collaboration between two cities or multiple cities?

00;24;01;04 - 00;26;27;22

GA: I guess what I would say is for the RHNA process itself, this process of identifying the number of units for every jurisdiction, that's generally a regional process, right? So ABAG is responsible by state law for doing that. But there is an opportunity sort of allowed in state law where jurisdictions can come together and do their own RHNA process. And this cycle, the jurisdictions in Solano County. So all of them and the cities there and the county decided to do their own RHNA process. It's called a subregion. So they did that. And then when it gets to like essentially after ABAGS's RHNA process is completed and we've assigned a certain number of units to every jurisdiction, ABAG were all sort of form overall, I guess I would say in Reno is done. As I said then, it's sort of jurisdictions working with the state and, you know, finishing their housing element and getting it approved. But we did try this past cycle there was money provided by the state for what was called the Regional Early Action Planning program, I think is the correct term. So REAP money and we use that to establish sort of housing collaboratives within every county where local jurisdictions, staff working on housing elements could come together within a particular county and talk about the issues they're facing and kind of try to learn from one another. There are other, you know, some of those collaboratives really did develop sort of joint work products. There's a long the housing element includes this site inventory. Right? So they have to show how they're going to accommodate their RHNA numbers. But it also has a whole like very robust analysis of housing conditions in the community. Different, you know, what their how their population is, what their populous best sort of special populations, housing needs for seniors or people with disabilities. And so it's very I tend to think of it as the site inventory because that's the part that I focus on. But there's a whole lot of really detailed information that jurisdictions have to look at and analyze as they think about what housing solutions are, communities needs, and then trying to identify specific policies and strategies to accommodate those needs. And so I think I think it was helpful for jurisdictions to have a space to talk about some of those ideas for, you know, again, thinking about how to meet the needs of their communities.

00;26;28;00 - 00;26;35;23

JS: And are there are there any consequences if a city fails to meet its RHNA objective each cycle?

00;26;35;25 - 00;27;03;13

GA: You know, I think the one that we mentioned before. So SB 35 is one of the sort of, I guess, penalties for if you're not making progress in your RHNA numbers. I think there are other other things are tied to

whether you get a certified housing element. So there's funding sources for example available from the state where you have to have a certified housing element. But I think to my knowledge, SB 35 is the one that specifically looks at how are you doing and actually meeting your RHNA numbers.

00;27;03;17 - 00;27;19;03

JS: It sounds like you have quite a bit of experience with RHNA going through multiple cycles of this process. If you if someone handed you a magic wand and said you could change one thing, anything about this process, what would you do? What one thing would you love to see changed about the RHNA process?

00;27;19;05 - 00;28;32;08

GA: I mean, I guess, you know, so I'm sort of down in the weeds as the person who runs the process. I think one of the challenges is just it's very, very complex. And so I think it's really hard for people to understand sort of how, you know, how do we come up with these numbers. And again, you know, we have a RHNA methodology document that explains it in detail, but it's, I don't know, 70 pages long. Right? So I guess I just wish there was a way to simplify the process. You know, I think there's I think it's important to have the sort of the analysis that goes into it and really is sort of a comprehensive thinking about it. But it makes it very hard for us to talk about. And then for, you know, I think members of the public, I can't imagine that most people really understand what's going on with RHNA, which is a shame. And I think even for the local elected officials who we try to engage in our process and they're responsible for implementing it, I think I'm sure it seems quite murky, even though we do the best that we can to communicate and document what we're doing. So I guess I'm not quite sure how to accomplish that, but I just it would feel better, I think, if people had a better understanding of of how it works.

00;28;32;15 - 00;28;52;20

JS: In your experience, do you find that most cities, most elected officials really do want to comply? They really do want to meet these obligations, and it may be difficult for them at times. But do you get the sense that there is a genuine desire by most people to to try to meet these obligations?

00;28;52;23 - 00;29;36;24

GA: You know, I would say that, you know, we have 109 jurisdictions in the Bay Area. And I would say that most of them really do, right? I mean, I think they understand the need. I think there it is a challenge. It's not simple. And so I do think that they are invested in trying to find solutions. I think there are some jurisdictions that really aren't great. You know, they kind of like things the way they are, and they would prefer not to have to change. But most I think the change is difficult and so it's hard to figure out the path forward. But I think that a lot of jurisdictions really do want to try to find a solution. I just

think that sometimes the solutions are harder than they thought they would be. And so that's where it gets challenging.

00;29;37;00 - 00;29;55;23

JS: Well, Gillian, this has been enlightening, eye opening as someone who works in the housing department. So I'm hearing about this stuff constantly. There's still so much I didn't know. And you've illuminated a lot, so I appreciate that. Do you have any parting thoughts? Anything else you'd like to say that I haven't asked you about that you'd like to share with our audience?

00;29;55;25 - 00;30;25;19

GA: You know, honestly, what I would say is, is first, for folks who are like you, like local housing staff who have had to go through this cycle and work on housing elements, I, I have not been down in the weeds with them on that part, but I know it's been extremely challenging. And I just I guess I want to say give a shout out to them and express appreciation because I think, you know, I do think that the RHNA process, I think we're better off having RHNA than not having RHNA, but I think it's getting really complicated and I just appreciate the work that they do.

00;30;25;19 - 00;31;14;21

JS: Thanks so much, Gillian, for joining me on today's episode. Thanks for listening to Dwellings, the City of San José Housing Department podcast. Our theme music is "Speed City," composed and performed by Etienne Charles. Thanks to San José Jazz for letting us use their music. If you like the show, please subscribe and share with your friends and family. If you're looking for more ways to get involved with housing and homelessness response, please check out the show notes. You can follow the Housing Department on social media. We're on Twitter and Facebook at S J city housing. If you have questions or comments about today's episode, please send them to [housingcomms@sanJoseca.gov](mailto:housingcomms@sanJoseca.gov). Our artwork is by Chelsea Palacio. Dwellings is produced by me, Jeff Scott and Jose Chavez of the Housing Department.