San Francisco Bay Area

HOUSING

Needs Plan
2007-2014

June 2008

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"There's no place like home."

Bay Area Housing Report

This year's third annual report on housing in the San Francisco Bay Area serves as the 2007-2014 Regional Housing Needs Plan. This plan documents the Regional Housing Needs Allocation (RHNA) for the Bay Area. RHNA is a state mandated process for determining how many housing units, including affordable units, that each community must plan to accomodate.

The State of California's Housing and Community Development Department works with regional Councils of Governments (COGs) to determine the amount of housing needed within the region. The Association of Bay Area Governments (ABAG) is this region's COG. The determination of housing need is based on existing need and estimated population growth. Need is determined for households in all income categories: very-low, low, moderate and above-moderate incomes.

Once the total regional need is determined, ABAG works with local governments and others to allocate the total need to individual cities and counties. Local governments are then required to plan where and how the allocated housing units will be developed within their communities. This is done through the Housing Element of each local government's General Plan.

This year's housing report summarizes current Housing Element Law, documents the process for determining the total regional housing need, describes the allocation methodology and the rationale for each component of the method. This report also provides information on the region's land use forecast, a primary determinant of each jurisdiction's housing allocation.

The regional housing needs allocation for all Bay Area jurisdictions are provided at the end of this report.

Brad Perks

Brad Perks
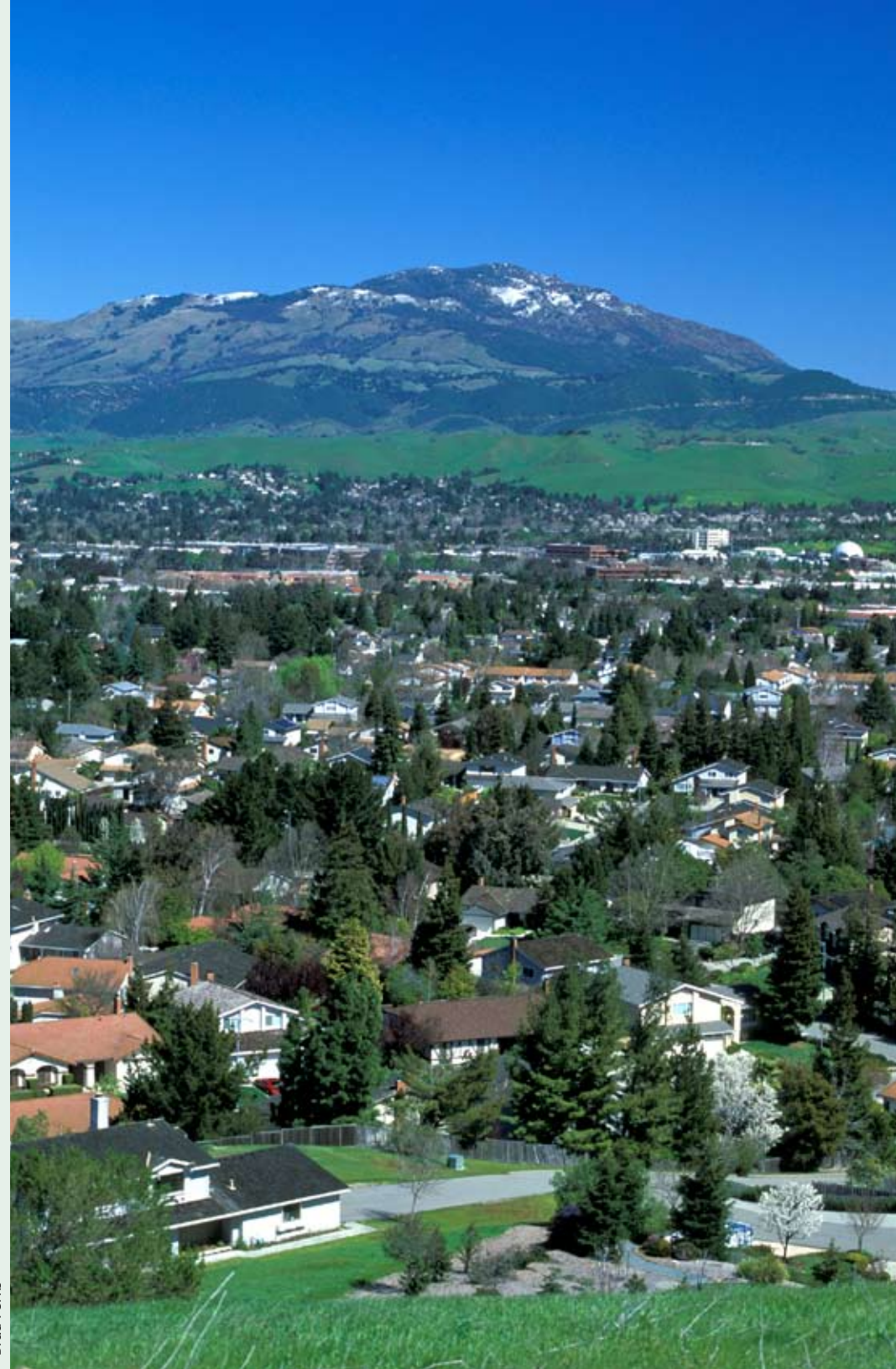
Decades of planning and building
auto-oriented communities,
in places fairly remote from
existing job centers
have resulted in a region
that is highly
auto-dependent.

During the same time
that we pushed development
to the far edges
of our region, and into
neighboring regions
like the Central Valley,
the number of hours spent
in traffic has grown
by 181 percent.

The San Francisco Bay Area

Located in Northern California, the San Francisco Bay Area is a 7,000 square mile metropolitan region that surrounds the San Francisco Bay.[1] The Bay Area's nine counties and 101 cities are home to 7.2 million people, making it the fifth most populous metropolitan region in the country.

Approximately 16 percent, or 700,000 acres, of the Bay Area's 4.4 million acres of land are developed for urban use. Sixty-one percent of those urban acres are residential and 42 percent are non-residential employment and retail centers, government buildings, schools, and major infrastructure.

San Francisco is the Bay Area's most urbanized county, with 82 percent of its land developed. Napa is the most rural county, having less than four percent of its land area developed. The remaining counties have developed land areas ranging from seven percent to 28 percent.

Population

Like many large urban centers, the Bay Area's population will continue to grow. Over the next 25 years, the nine counties of the region are expected to add about 1.6 million new residents, an average of 64,760 new residents per year. About half of this increase in population is due to the difference between births and deaths, or natural increase. The other half is due to in-migration into the region. People mostly come to the Bay Area for its great job opportunities.

San Francisco, the South Bay and the inner East Bay continue to be the region's most populous areas. Santa Clara County is the most populous county in the Bay Area and will experience the greatest amount of growth. Santa Clara is expected to grow by nearly 23 percent over the next 25 years. San Francisco will see the least amount of growth of the Bay Area's high population counties. San Francisco will grow by 15 percent by 2035, to 956,800 people.

Though not as populous as San Francisco, Santa Clara or parts of the East Bay, Solano County is another fast growing county in the region. Today, Solano County is home to over 423,800 people. By 2035, Solano will see a 22 percent increase in its population, to 585,800 residents by 2035.

Jobs

While many of the Bay Area's new residents will be born here, others will come here for work. Almost 1.6 million new jobs will be added to the Bay Area's existing economy by 2035.

The Bay Area is famous for high-technology electronics, biotechnology and financial services. These industries are also among the Bay Area's fastest growing and are located primarily in San Francisco and Silicon Valley - San Mateo and Santa Clara Counties. These industries are part of the Information, Finance and Professional Services sectors, which account for nearly 46 percent of all Bay Area jobs.

Retail, Arts & Recreational Services, and Transportation and Utilities are the next largest job sectors. Together these jobs sectors comprise 34 percent of all jobs in the Bay Area - or 11, 12 and 11 percent, respectively. These jobs are found throughout the region, rather than being concentrated in few locations.

Job Growth by Industry Sector

Legend:
- 2005
- 2010
- 2015
- 2020
- 2025
- 2030
- 2035

Y-axis: 0 – 1,000,000 (in increments of 100,000)

X-axis categories:
- Ag & Natural Resources
- Construction
- Manufacturing & Wholesale
- Retail
- Transportation & Utilities
- Information
- Financial & Leasing
- Professional & Managerial Services
- Health & Education Services
- Arts, Rec & Other Services
- Government
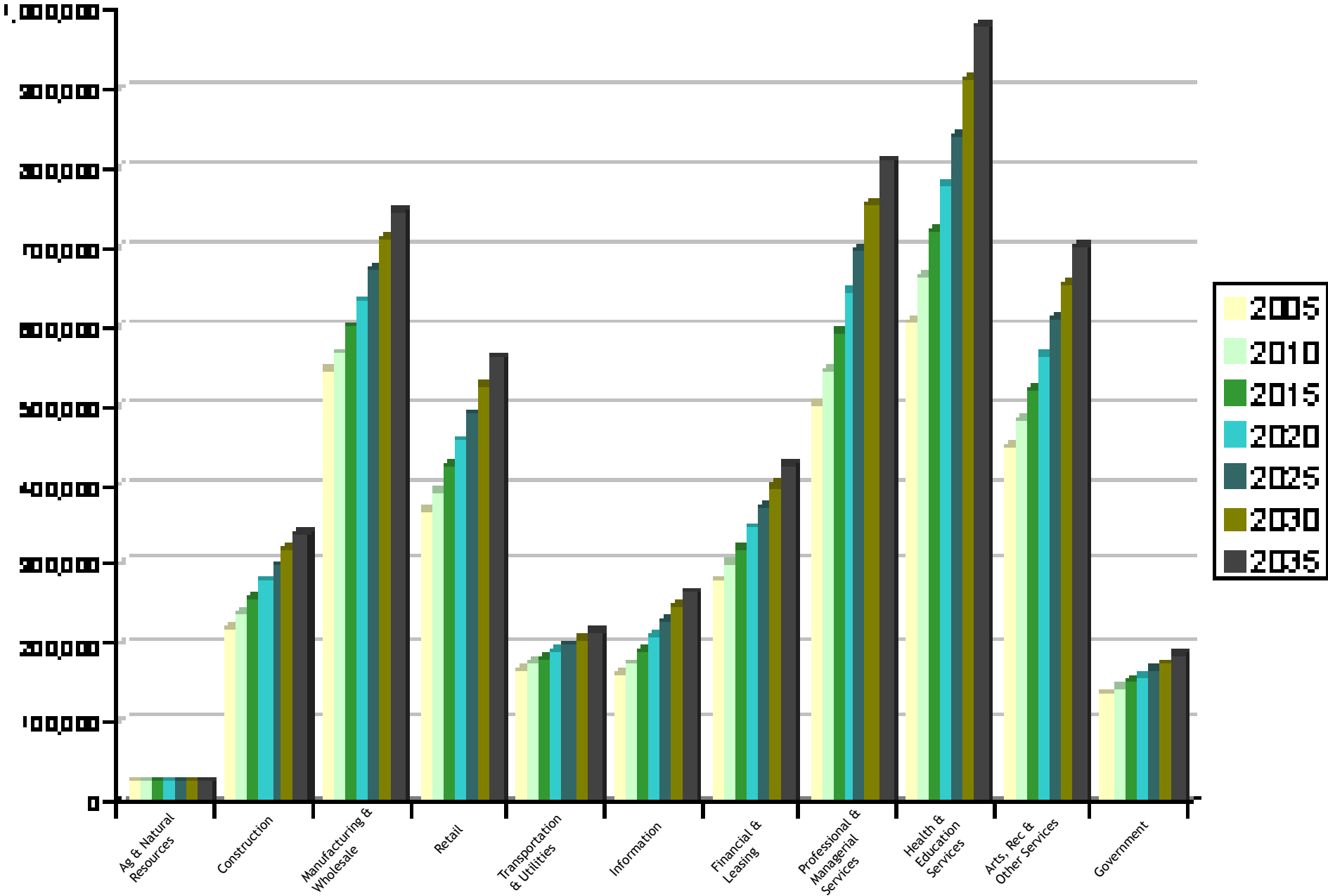
Agriculture and Natural Resources is another well known industry sector in the Bay Area, particularly in the wine growing region of Napa and Sonoma Counties. These industries are projected to see little growth, about 5 percent over the next 25 years. The wine country will see some job growth, but it is anticipated to be in Travel and Tourism.

Housing Affordability

The Bay Area continues to be one of the priciest real estate markets in the country. Despite the recent mortgage crisis and soaring number of foreclosures, most Bay Area homes continue to be too expensive for families with average household incomes to afford. In 2007, only about 15 percent of Bay Area households could afford a median-priced home. This percentage was even lower in some Bay Area counties: 14 percent in Santa Clara, 13 percent in Alameda and Marin Counties, 12 percent in Napa and San Mateo and 10 percent in San Francisco. [2] All projections indicate that housing affordability, even with the short-term dip in prices, likely will remain a major regional issue.

Low levels of housing production, relative to demand, contribute to this region's high housing costs. The need for housing generated by the Bay Area's annual increase in population was 33,400 units per year during the 1980s. At that time, about 40,000 housing units were added to the supply each year, sufficient to meet new demand.

Since the 1990s, production has varied from year to year, but overall it has not kept up with population growth. Compared to the 1980s, annual population increases were slightly lower in the 1990s. Based on this growth, 29,500 housing units were needed in the region. However, housing production during the 1990s declined to about 27,000 units per year. Since 2000, the housing need from population increases is estimated to be 23,700 units per year. Actual housing production has been better, relative to the 1990s. Since 2000, an average of 23,336 housing units have been built per year. Last year marked the highest production at 24,396 units. The lowest production year since 2000 was 2001 with 17,459 units.

On top of the low historical production levels in the region, the mix of available housing types also contributes to higher home prices. In many Bay Area communities, mostly large single-family homes are planned for and built. This offers consumers limited choice in housing types, especially relatively more affordable smaller homes, condominiums, townhomes, or apartments.

Multi-family housing can provide affordable options for individuals and families. Multi-family housing comes in a range of prices, but it can often include more affordable options than single-family homes.

The proportion of multi-family housing built in the Bay Area has increased in the last few years. Over 11,440 multi-family units were built in 2007 alone. About one third of the region's total housing stock is in multi-family structures.

Every city in the region has some multi-family units; however, 75 percent of all these units are located in just twenty-two cities - usually urban or long-established suburban cities. Forty-five percent of the region's multi-family housing is in San Francisco, San José or Oakland.[4]

Median Housing Prices, 2007 [3]
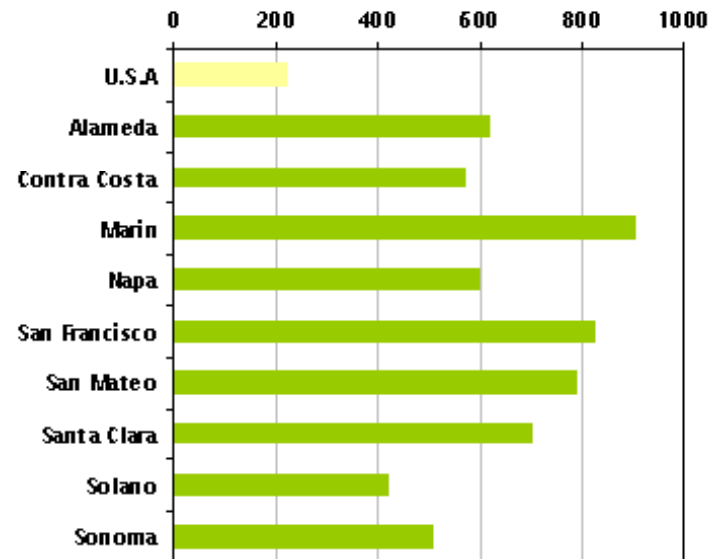
Not only will housing affordablity continue to be a Bay Area dilemma, but how and where we develop housing will continue to have both region- and state-wide impacts. Our current development pattern (mostly auto-dependent developments at the edges of the region, far from employment centers) contributes to the Bay Area's loss of open space and agricultural lands, traffic congestion and greenhouse gas emissions.

Transportation [5]

Bay Area residents take more than 21 million trips on an average weekday, or about three trips per person each day in order to get to work, school, shopping or other activities. More than 84 percent of all trips are by automobile. More than 57 billion miles were logged on the region's freeways, highways, expressways and local streets and roads.

The Bay Area is the most transit-rich region in California. Two dozen transit operators provide over 188 million vehicle miles of service and

First-Time Buyer Affordability Index [6]
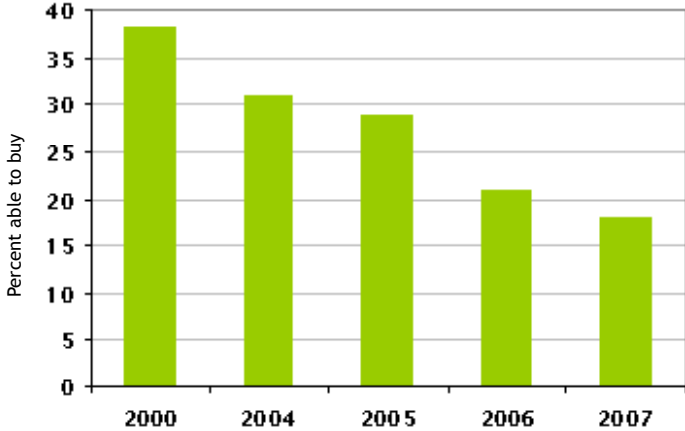
Annual Bay Area Housing Production

Legend: Single-Family Units Multi-Family Units
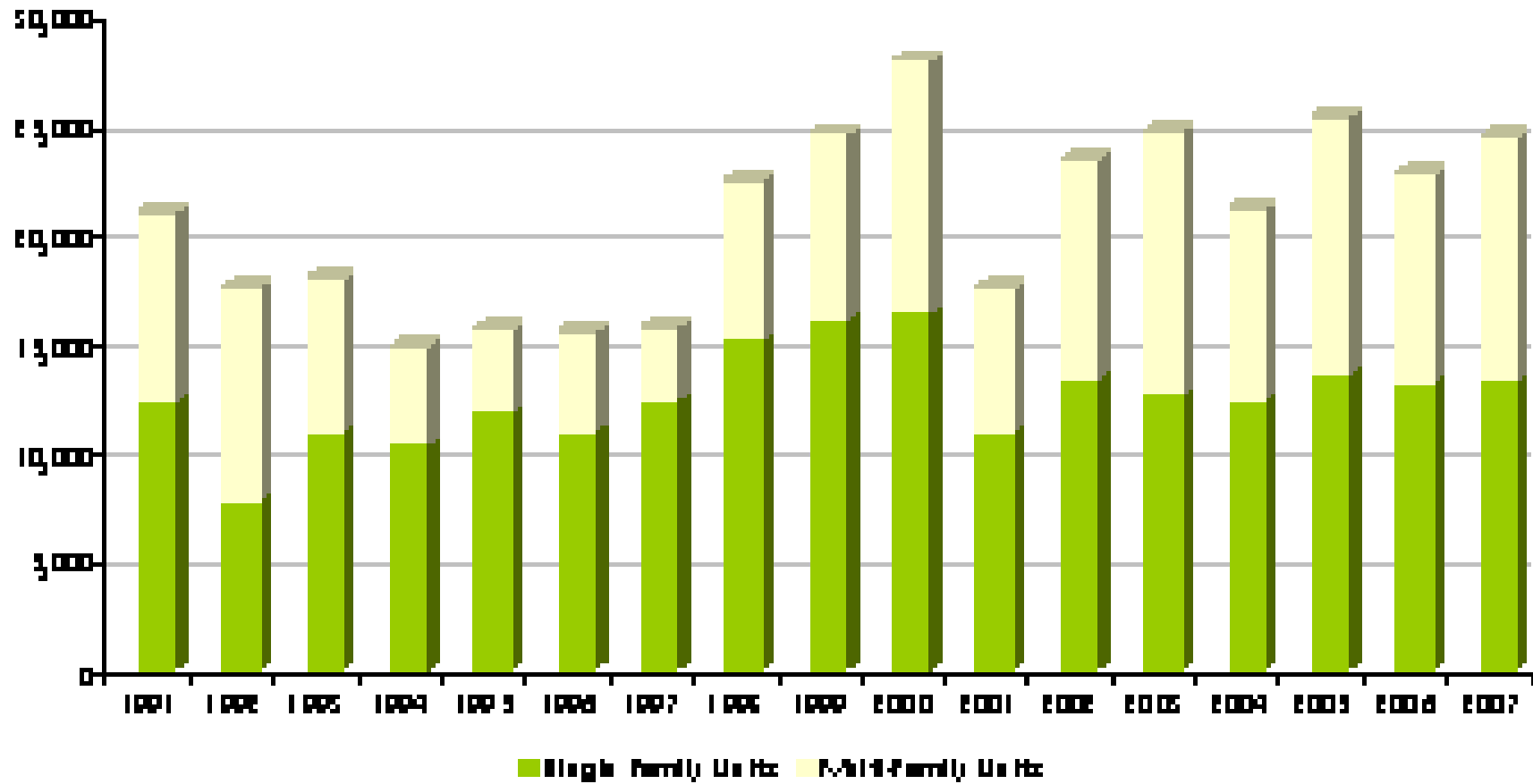
carry more than 475 million passengers each year. Buses provide just under half of all service miles and carry nearly two-thirds of all passengers. BART, commuter rail, light rail, ferries and door-to-door vans and taxis carry the remaining third.

Despite this transit richness, the Bay Area's appetite for driving has yet to be curbed; only 6 percent of all trips are by public transit. Walking and biking account for only 10 percent of all trips. As a result, Bay Area congestion is anticipated to increase by 103 percent by 2030.

Traveling to and from the Bay Area is projected to grow as well. Inter-regional commuting is anticipated to grow by double and even triple digits - mostly due to surrounding counties building homes for Bay Area workers. Commuting between the Bay Area and the Central Valley is expected to grow by 90 percent. The areas between San Mateo and Santa Cruz counties will see an increase of over 120 percent.

Air Quality, Land Use & Transportation

In the Bay Area, 50 percent of our carbon emissions come from the transportation sector alone. Of this 50 percent, 84 percent is from on-road vehicles, essentially cars. Motor vehicles are the single largest source of the gases that make ozone[8] and are also a significant source of particulate matter.

The Bay Area currently does not meet California air quality standards for several types of particulate matter and ozone.[9] These pollutants are linked to significant health effects, including asthma and cancer, especially in people who live near major transportation corridors and areas with heavy truck use. Partly due to worsened air quality from auto emissions, asthma is now the most common chronic childhood disease, occurring in approximately 54 of every 1,000 children in the U.S.[10]

The disconnect between land use and transportation is partly to blame. Decades of planning and building auto-oriented communities, separated from existing job centers, have resulted in a region that is highly auto-dependent. As development has been pushed to the edges of the region, and into neighboring regions, the average number of hours per day people spend in traffic has grown from 68,500

Projected Increase
Inter-Regional Commuting
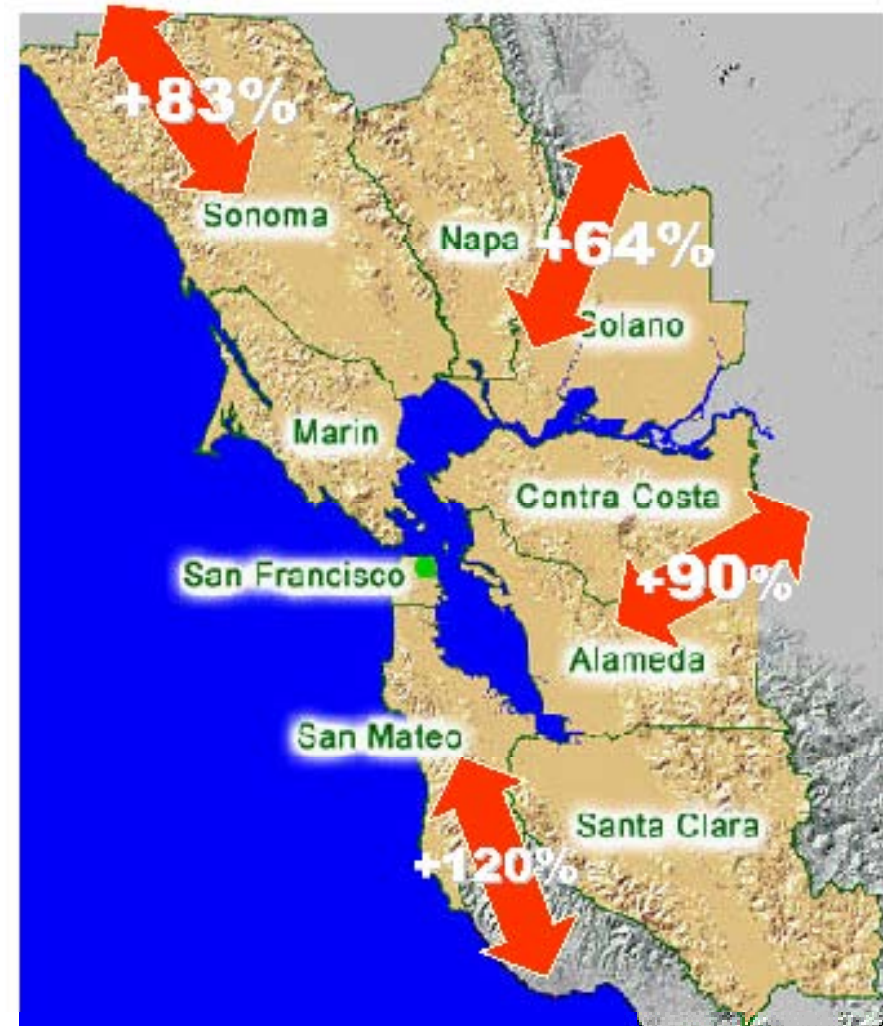
Source: Metropolitan Transportation Commission [7]

Greenhouse Gas Emissions from Transportation Sector

Transportation 50%

Bay Area

Other Sources 50%

Transportation 41%

California

Other Sources 59%

Transportation 27%

United States

Other Sources 73%
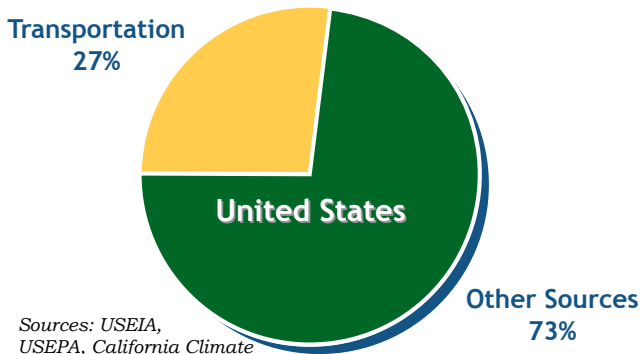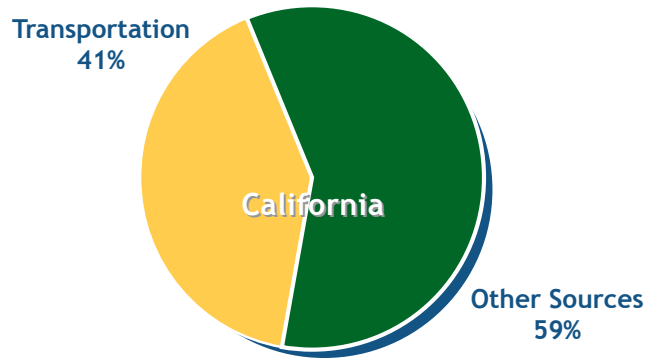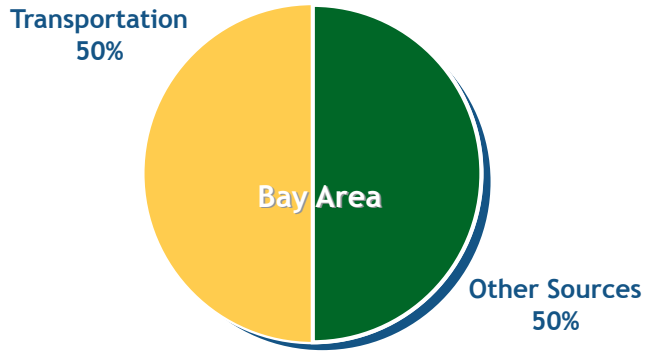
Sources: USEIA, USEPA, California Climate Action Team, BAAQMD

in 1995 to 124,190 in 2004 - an increase of 181 percent.[11] In addition, nearly 20 percent of Bay Area workers have a commute of 45 minutes or more.[12]

There is, however, growing support for more traditional styles of development - communities where walking, biking and transit are viable options. With good design, sensitive to existing neighborhoods, infill development can build upon the unique features of each community. By offering more housing and transportation choices, infill may also contribute to the overall sustainability of the region. One study indicates that a more dense, walkable development can reduce driving by as much as 40 percent, as compared to an auto-oriented development.[13]

Focusing housing growth in the areas closest to the San Francisco Bay is also more energy efficient. The climate around the Bay is more moderate than in the eastern-most reaches of the region and in the Central Valley. Homes built near the Bay use less energy for cooling and heating. This is significant because energy production is a major source of the greenhouse gases that contribute to climate change.

Our Challenge

This air quality/land use/transportation connection is our fundamental regional planning challenge. An estimated 700,000 new homes will be needed by 2035 to accommodate the Bay Area's projected population. It is imperative that we plan for this housing in a way that also meets our region-wide housing affordability, transportation and environmental objectives, including global climate change.

The Bay Area's RHNA method, as described in the next few chapters, attempts to respond to this challenge. It calls for better region-wide land use and transportation planning, so that we may reduce driving, and hopefully reduce our greenhouse gas emissions. State Housing Element Law supports, and actually requires, this approach. The law dictates that each region in the state allocate its housing need in a way that promotes more infill development and efficient development patterns.

In reading the remainder of this report, you will see that the Bay Area's Regional Housing Needs Allocation clearly meets this mandate.

Noah Berger

Since 2002, the region's forecast has been "policy-based." This means we assume local governments will adopt land use policies and plans that support regional policy objectives... including increased housing development that supports alternative transportation modes.

These objectives would be accomplished by local governments allowing more housing production within the region, near transit and in existing urban areas.

Additional growth in these places would enable more people to bike, walk or take transit.

Projecting Land Use for Transportation Alternatives

Every two years, Bay Area regional planners forecast the region's population, households, and employment. This forecast is called *Projections*. In *Projections 2007*, data are reported for year 2000, and then for each five year increment, to 2035.

Data from *Projections 2007*, specifically household and employment growth and existing jobs, serve as the basis for the Bay Area's housing needs allocation method, hence a short *Projections* primer is in order.

Several related forecasting computer models are used to perform the forecast. The economic model balances the demand for the production of goods and services with the supply of productive capacity. The demographic model uses birth rates, death rates and migration data to forecast future population via a cohort survival model.

A great deal of data is required by the models, including information on economic relationships and trends, population-related information like births, deaths and migration, as well as existing land use and local land use plans and policies.

We continuously collect information on local land use as part of the modeling effort. The forecast is produced for over 1,400 census tracts in the region and shows existing land use and the capacity of

each tract to support additional population or economic activity.

Because the forecast is based on local land use information, forecasted growth occurs in locations that are consistent with local plans. However, with 1400 census tracts, only so many details can be included. For example, we may know that moderate growth can occur in an area without specifically identifying exactly where that growth may take place. Growth may or may not occur in a very specific location due to physical or environmental limitations, such as steep slopes, or there may be a local land use policy that prohibits growth within certain geographic areas.

Since 2002, the regional population, household and job forecast has been a "policy-based" forecast. This means we assume that local governments will adopt land use policies and plans that support regional policy objectives. These policy objectives are listed on page 17. They include land use policies that increase housing development and alternative transportation modes. These policy objectives would be accomplished through higher levels of

housing production within the region, as opposed to communities just outside of the Bay Area. There would also be an increased proportion of growth occurring near transit and in existing urban areas. More growth in our existing communities, near jobs and transit, would enable more people to take advantage of alternative travel modes, including biking, walking and transit.

In *Projections 2007*, additional housing production and a shift in the pattern of development occurs in the later part of the forecast, i.e., beyond 2010. Earlier in the forecast, population growth is generally consistent with local general plans and the California Department of Finance forecast for growth.

Noah Berger

"We have the opportunity to create a legacy that advances the quality of life in our region. The homes that we plan for and the development patterns we establish today will last for generations. We can choose local land use decisions that will create a more sustainable community and region."

- Dave Cortese, ABAG Past President and San José Vice Mayor

Brad Perks

State Housing Element Law

State law requires each city and county to adopt a general plan.[14] The general plan must contain seven elements, including housing. Unlike other mandatory general plan elements, the housing element, which is required to be updated every five years, is subject to detailed statutory requirements, housing element law and a mandatory review by the State Department of Housing and Community Development.

Housing elements have been mandatory portions of general plans since 1969. This reflects the statutory recognition that the availability of housing is a matter of statewide importance. The limitation of the state's housing supply through planning and zoning powers affects the state's ability to achieve its housing goal of "decent housing and a suitable living environment for every California family." A limited housing supply also impacts the state's ability to remain economically competitive.

Housing element law requires local governments to plan for their existing and projected housing need. It is the state's primary "market-based strategy" to increase housing supply. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land-use plans and regulations, i.e., zoning, that provide opportunities

for housing development, rather than constrain opportunities.

The State is required to allocate the region's share of the statewide housing need to Councils of Governments (COG) based on Department of Finance population projections and regional population forecasts used in preparing regional transportation plans. Here in the San Francisco Bay Area, the Association of Bay Area Governments (ABAG) serves as the region's COG.

Housing element law requires the COG, or ABAG, to develop a Regional Housing Need Plan (RHNP). The plan describes the region's allocation method and the actual allocation of housing need to the cities and counties within the region. This document serves as the Bay Area's Regional Housing Need Plan.

According to state law, the regional housing needs plan is to promote the following objectives:

1. Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner;

2. Facilitate infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns; and
3. Improve intra-regional relationship between jobs and housing.

The State Housing Department is required to allocate the region's share of the statewide housing need to Councils of Governments (COG).

The housing need is based on Department of Finance population projections and regional population forecasts used in preparing regional transportation plans.

In the San Francisco Bay Area, the Association of Bay Area Governments is the region's COG.

Housing element law also requires the Department of Housing and Community Development to review local housing elements for compliance with State law and to report its written findings to the local government.

Housing Law Amendment

Periodically, state housing law is amended. One amendment, AB 2634 (Lieber, 2006), requires cities to plan for extremely low-income populations. While it doesn't require HCD or the COGs to include extremely-low in the allocation of Regional Need, the legislation mandates that local governments calculate the subset of the very-low income regional need that constitutes the communities need for extremely-low income housing. Local governments can either identify their own methodology for calculating the need or presume that the need is 50 percent of the total very-low income need.

Another amendment, Senate Bill 2 (Cedillo, 2006), requires local jurisdictions to strengthen provisions for addressing the housing needs of the homeless. This includes the identification of a zone, or zones, where emergency shelters are allowed as a permitted use without a conditional use permit.

For more amendments, see www.hcd.ca.gov/hpd/housing_element/index.html.

Bay Area RHNA Schedule

On September 29, 2006, the State Department of Housing and Community Development (HCD) granted ABAG an approval for a two-year extension for completing the Regional Housing Needs Allocation process and plan. The following RHNA milestones reflect that two-year extension:

November 16, 2006

ABAG Executive Board adopts Draft Allocation Methodology

Start 60-day public comment period

January 18, 2007

ABAG Executive Board adopts Final Methodology

March 1, 2007

HCD determines San Francisco Bay Area Regional Housing Need

July 31, 2007

ABAG releases Draft Regional Housing Needs Allocation Plan

June 30, 2008

ABAG releases Proposed Final Regional Allocation Plan

August 29, 2008

HCD reviews Proposed Final Regional Housing Allocation Plan

June 30, 2009

Local Governments complete Housing Element Revisions

Brad Perks

The regional housing need is determined by estimating the existing and projected need for housing. Both are determined through estimates of existing and projected household growth. Household growth is dependent on total net births, migration and household formation rates - how many new households are formed each year, e.g., young adults move out of their parent's home into homes of their own.

Based on estimated household growth, the total regional housing need is 214,500 units, through the year 2014.

Determining the Regional Housing Need

The regional housing need is determined by estimating both the existing need and the projected need for housing. Existing need is the amount of housing needed to address existing overcrowding or low vacancy rates. Projected need relates to providing housing for the growing population. Using slightly different methods, both the State, through the State Department of Finance (DOF), and the region, via ABAG, estimate projected household growth. Since these numbers may differ, the State and the region work closely together to arrive at an agreed upon estimate of future population growth; therefore, housing need through 2014.

Existing Need

Existing need is based on state estimates of total households in 2005, plus growth during 2006. A vacancy rate of 5 percent for renters and 1.8 percent for owners is applied to arrive at a vacancy goal (95,395). The total existing housing need of 1,984 units is derived from subtracting existing vacancies (93,411) from the vacancy goal. Both ABAG and DOF use this total to determine "existing housing need."

Projected Need

Projected need is determined by the components of population growth: 1) births minus deaths, or natural increase; 2) migration; and 3) household formation rates. ABAG and DOF assumptions

regarding births, deaths and migration are fairly consistent. However, each agency uses different assumptions regarding household formation or headship rates. Under DOF assumptions, household growth for the region is higher than what is projected by ABAG.

To estimate the number of households, ABAG uses a ratio of housing units to total population. The state uses detailed headship rates to make their determination of household population. State legislation requires that headship rates be used to determine regional housing needs.

Based upon data supplied by DOF, headship rates have declined significantly, by age group, between the 1990 and the 2000 Census. DOF's calculation of headship rates from its 2004 forecast show continued, although more moderate declines. ABAG staff anticipates continued moderate declines in the headship rates to the end of the RHNA period in 2014.

Both state and regional agency staff agreed that Bay Area headship rates used to determine the region's housing need should correspond closely to anticipated headship rates during the RHNA period. Therefore,

state and regional agency staff agreed that a 2004 headship rate would be used to determine the region's housing need during the 2007-2014 period.

Total Need

Applying the 2004 headship rates to regional population forecasts provided by the State means that the projected regional need for the Bay Area would be about 212,500 housing units. Once you add in existing need, the total housing need for the region is 214,500 housing units. [15]

"ANY OBJECTIONS WHY THESE TWO SHOULDN'T BE JOINED TOGETHER?"

Consistent Objectives & Policies

There are three primary statutory objectives of the regional housing needs allocation process: to increase housing supply, affordability, and housing types; to encourage efficient development and infill; and to promote jobs-housing balance. These objectives are consistent with the Bay Area's regional growth policies.

In 2002, Bay Area regional agencies, local governments, community groups, and residents considered a challenging question, "How can the Bay Area accommodate future growth in a way that increases housing availability and affordability, reduces traffic congestion, protects the environment and improves air quality?"

The answer they found was a set of regional policies for growth in the San Francisco Bay Area. Four regional agencies - the Association of Bay Area Governments, the Bay Area Air Quality Management District, the Metropolitan Transportation Commission and the Bay Conservation and Development Commission - adopted growth policies, as listed at right.

The region's land use projections and programs that provide financial incentives would be used to realize these policies.

State Objectives

Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low and very low income households.

Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

Promote an improved intraregional relationship between jobs and housing.

Allocate a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent US census.

Bay Area Policies

Support existing communities

Create compact communities with a diversity of housing, jobs and services to meet the daily needs of residents

Increase housing choices

Improve housing affordability

Increase transportation efficiency and choices

Protect and steward natural habitat, open space, and agricultural lands

Improve social and economic equity

Promote economic and fiscal health

Conserve resources, promote sustainability, and improve environmental quality

Protect public health and safety.

Since adopting these growth policies, in drafting *Projections,* regional agency staff assumes that local governments will adopt supporting land use plans and policies. The expectation is that local plans and policies will advance these policies by promoting the development of walkable communities, where more housing development may take place near existing jobs and transit, and at infill locations. Adoption of such policies would effectively implement the region's land use policy objectives.

The land use assumptions contained within *Projections* are also consistent with the State's RHNA objectives. As with the State's objectives, regional policies embedded in *Projections* call for an increase in the supply of housing, jobs-housing balance, protection of the environment, and a more efficient development pattern, i.e., infill development within existing communities and near jobs and transit.

Since the region's policy-based *Projections* serve as the basis for the RHNA allocation formula, the Bay Area's housing needs allocation is also consistent with the State's RHNA statutory objectives.

Housing Need Allocation Method

The region's total housing need is allocated to Bay Area jurisdictions through an allocation method. The method contains two distinct components, mathematical equations and rules.

There are two mathematical equations in the allocation method. The first equation is used to allocate total units among jurisdictions. This equation consists of factors, each weighted to indicate relative importance. The second equation is used to divide each jurisdiction's total need, based on the first formula, into the four income categories, as defined by state law.[16]

The allocation method also contains a set of rules. These rules address how to allocate units by income, how to handle units in spheres of influence and voluntary transfers of units between jurisdictions and subregions.[17]

This chapter covers the first mathematical equation, the primary one used to allocate units to jurisdictions. The next several chapters cover the income allocation formula and the allocation rules.

Math Equation Factors

RHNA law delineates the specific factors that must be considered for inclusion in the mathematical equation component of the housing needs allocation method.

These factors are:

1. Water and sewer capacity
2. Land suitable for urban development or conversion to residential use
3. Protected open space - lands protected by state and federal government
4. County policies to protect prime agricultural land
5. Distribution of household growth
6. Market demand for housing
7. City-centered growth policies
8. Loss of affordable units contained in assisted housing
9. High housing cost burdens
10. Housing needs of farm workers
11. Impact of universities and colleges on housing needs in a community.

In devising the formula for allocating units to jurisdictions, staff and members of the Housing Methodology Committee (HMC) had to consider how each of these statutory factors could be incorporated into the mathematical equation component of the allocation method.

Staff and HMC members, as required by law, sought input on the factors and how they could be used from every jurisdiction in the Bay Area. On September 15, 2006, ABAG staff surveyed all Bay Area planning directors. Forty-two local jurisdictions responded to the survey. They offered input on individual factors and had ideas for additional factors that could be considered. (A detailed summary of survey responses is available at http://www.abag.ca.gov/planning/housingneeds.)

A second survey was conducted in December 2006. This survey was in response to a new state law (passed in Spring of 2006) requiring that the impacts of either California State Universities or University of California campuses be considered in the housing need allocation method. As a new factor, ABAG staff was required to survey local governments about their student populations.

As the region's Council of Governments, ABAG is responsible for allocating the state-determined regional housing need to all jurisdictions in the Bay Area. To assist in this effort, a Housing Methodology Committee was established in May of 2006. Their charge was to assist staff in developing a recommended method for distributing the regional housing needs to each Bay Area jurisdiction. The committee was made up of ABAG Board members, local elected officials, city and county staff, and stakeholder representatives from each county in the region.

Committee members demonstrated tremendous dedication in the work they undertook. Their great effort resulted in recommendations that were consistent with state and regional policy objectives.

Thank you.

Staff and most housing methodology committee members agreed that by using household population statistics in the methodology, the appropriate student populations were considered. Household population estimates are inclusive of the entire household population and would therefore account for all people living in homes - including students.

Only the "group quarters" population - those living in college dormitories - are not included in household population counts. Group quarters population is taken into account in the "total population" estimates. Therefore, the allocation methodology does not propose a specific factor to represent the impact of student populations.

The final allocation method adopted by ABAG's Executive Board includes factors related to housing, employment and public transit. [18]

Each factor is given priority relative to the others through "weighting" in the formula. For example, if one of the factors, e.g., household growth, is determined to be more important than another factor, e.g., transit, the methodology would give household growth a higher weight than transit. If two or more factors are determined to be of equal priority, they would be equally weighted. State law also allows for "zero weighting" of a required factor,

if an appropriate rationale for the zero weight can be offered by the Council of Governments.

For the Bay Area's allocation formula, the selected factors and their respective weights are:

· Household growth (45%)

· Existing employment (22.5%)

· Employment growth (22.5%)

· Household growth near existing transit (5%)

· Employment growth near existing transit (5%)

Household growth, existing employment and employment growth are each forecasted in the region's job, household and employment forecast, *Projections 2007*.

By applying these factors and weights in the allocation formula, housing would be allocated to jurisdictions in a manner consistent with state RHNA objectives, statutory requirements, local land use and regional policies. Jurisdictions would then be required to plan for their allocated number of housing units within the housing elements of their general plans.

Specifically, the selected factors result in:

· Housing units directed to areas where local governments are planning housing growth;

· Housing and job growth being planned together and existing jobs-housing imbalances being addressed;

Weighted Factors of RHNA Method
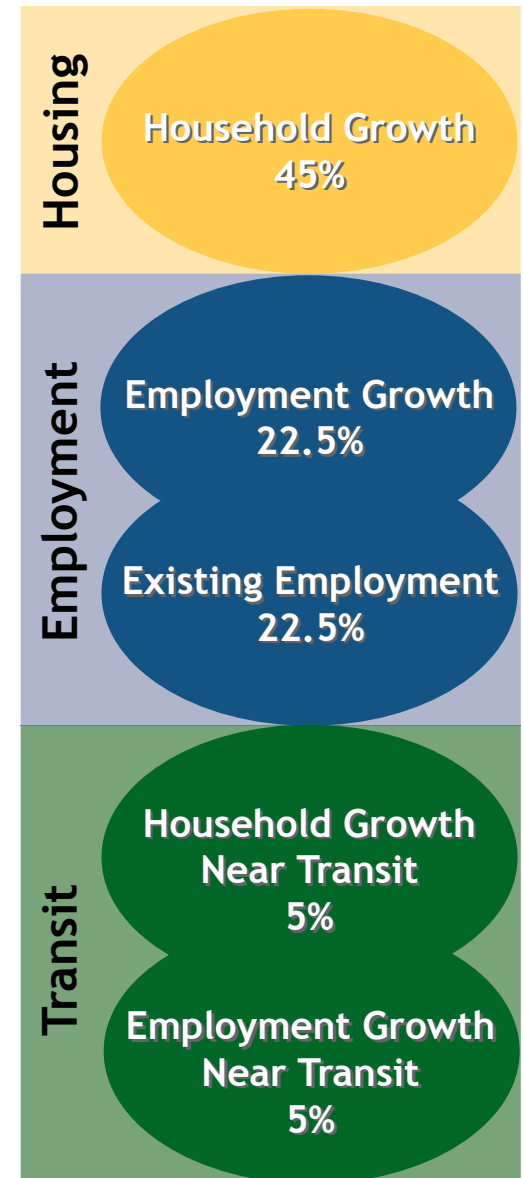
*The methodology factors use data from **Projections 2007**.*

- Housing development directed to communities with transit infrastructure; and
- Fewer housing units directed to outlying areas; thereby reducing development pressures on open space and agricultural lands.

Household Growth, 45 Percent

Use of this weighted factor directs each local jurisdiction to plan for housing according to its share of regionally projected household growth.

The use of household growth as a factor represents consistency with local, regional, and state policies. Household growth is used as a factor, as opposed to existing units or total units, to ensure that additional housing is not planned where there are existing concentrations of homes in the region, but rather where growth is being planned. Those areas that are planning for household growth, according to local and regional land use policies, would receive a higher allocation than those areas not planning for growth.

ABAG's projections of household growth is based on local land use policies and plans; demographic and economic trends (such as migration, birth and death rates, housing prices, and travel costs) and regional growth policies.

The location of estimated household growth within the region is most influenced by local land use

plans and policies, including planned and protected agricultural lands, open space and parks, city-centered growth policies, urban growth boundaries, and any physical or geological constraints.

Regional policies incorporated into *Projections* are assumed to begin influencing growth by 2010, and therefore have some effect on regional housing growth estimates in the 2007-2014 RHNA period. These policies assume that there will be increased housing growth in existing urbanized areas, near transit stations and along major public transportation corridors.

More growth in existing urbanized communities translates into less development pressure on the region's environmental and agricultural resources. Growth in urban areas may facilitate development efficiencies and more infill development at higher densities. Such development may support increased transportation choices, e.g., walking and public transit, especially if development is planned near transit, services and existing jobs.

These land use assumptions and their potential beneficial impacts are consistent with state housing policies to promote infill development, environmental and agricultural protection and efficient development patterns.

The household estimates in *Projections* account for all people who live in housing units, including students. Thus, students that occupy part of a local jurisdiction's housing stock are counted as such. Students are also counted as a source of future household formations. The portion of the student population that occupies "group quarters," such as college dormitories, are not included in household population counts. This is consistent with state policy regarding RHNA that excludes "group quarters" from being counted as housing units.

Employment, 45 Percent
(Existing 22.5%, Growth 22.5%)

Use of these weighted factors directs each local jurisdiction to plan for housing to accommodate existing employment (2007) and regionally projected employment growth (2007-2014).

Using employment (existing and growth) in the RHNA allocation method creates consistency with local policies, plans and local capacity for job growth. The inclusion of employment growth as a RHNA factor ensures that the regional housing need is allocated to places where job growth is anticipated to occur during the 2007-2014 RHNA period. Cities or counties with planned job growth would be responsible for planning housing for the additional jobs that are added to their communities.

All photos by Simon Dale

An innovative, sustainable approach to housing development, this home was built by Simon Dale and his family in Wales. They dug into the hillside for low visual impact and shelter. Stone and mud from the diggings were used for retaining walls and foundations. The frame is made of oak thinnings (spare wood) from surrounding woodland. Skylights let in natural light and solar panels are used for lighting, music and computer use. Water is collected by gravity from nearby spring. There is a compost toilet and roof water collects in a pond for the garden.

See www.simondale.net/house/index.htm

Drive 'til You Qualify!

Vallejo $294,500

Antioch $314,500

Stockton $215,000

Pleasant Hill $470,000

Manteca $288,000

Tracy $356,000

Pleasanton $750,000

Modesto $215,000

Livermore $545,000

San Carlos $966,000

Cupertino $1,047,500

Morgan Hill $620,000

Scotts Valley $612,500

Gilroy $525,000

Watsonville $406,000

Hollister $352,500

Salinas $387,500

Source: DataQuick, 2007 Median Home Prices, ABAG GIS Analysis
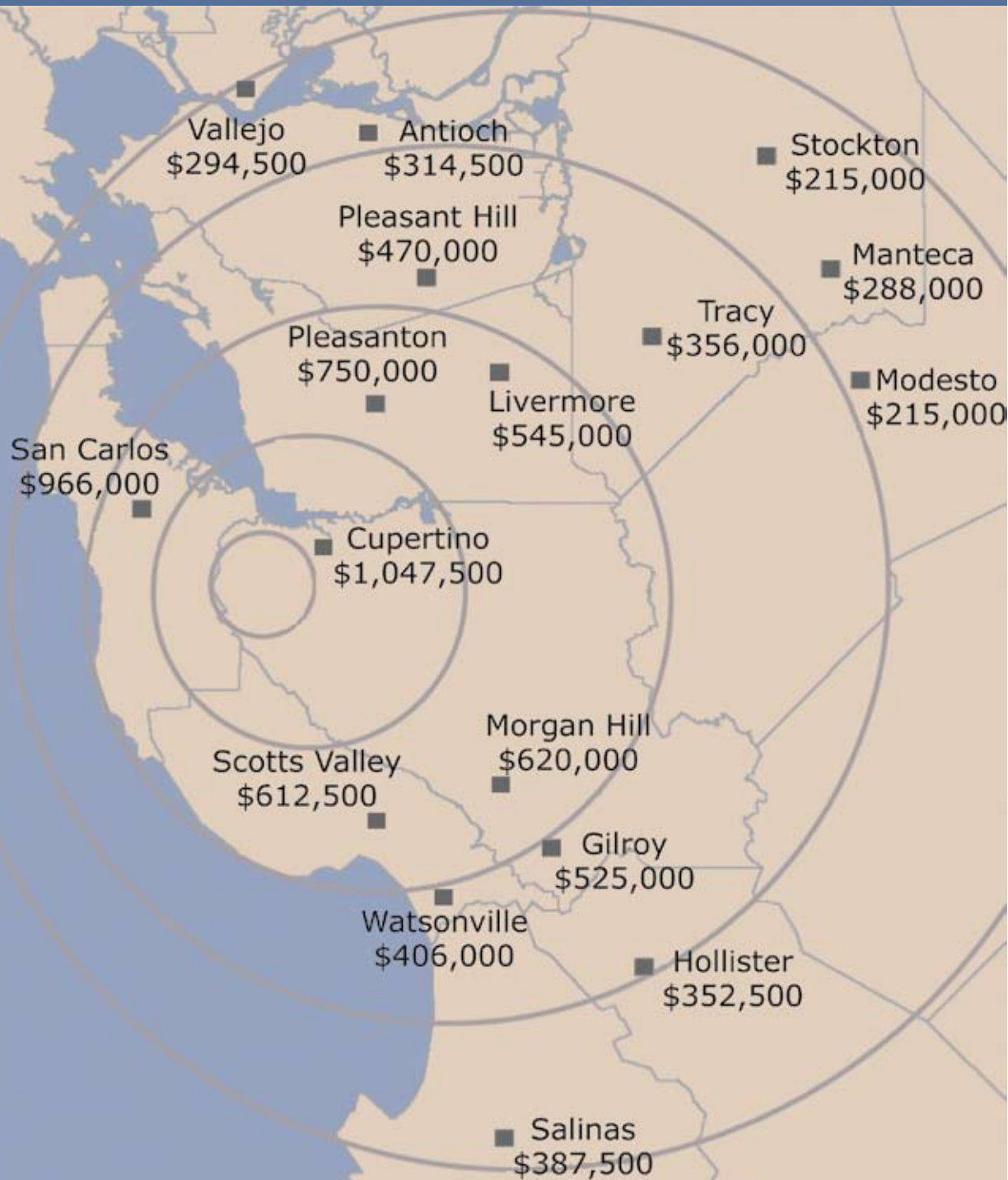
Use of employment as a factor also ensures that jurisdictions with both existing jobs and planned job growth plan for housing needed by people anticipated to work at those jobs. Housing near jobs would also reduce vehicle miles traveled. People could travel less distance to their jobs or take alternative travel modes, since most existing job centers are also transit rich. More housing in existing job centers may also encourage infill and efficient development patterns through higher densities in existing communities. Planning for housing near existing jobs also places less development pressure on outlying areas, especially in rural areas with agricultural lands and protected open space.

In the Bay Area, as in many metropolitan areas, cities with employment centers have historically planned for insufficient housing to match job growth. This lack of housing has escalated Bay Area housing costs. Unmet housing demand has also pushed housing production to the edges of our region and to outlying areas. San Joaquin, Stanislaus, and San Benito counties have produced much of the housing needed for Bay Area workers. People moving to these outlying areas has led to longer commutes on increasingly congested freeways, inefficient use of public transportation infrastructure and land. Negative impacts on health, equity, air quality, the environment and overall quality of life in the Bay Area also result.

The HMC considered the degree to which employment would be considered in the RHNA method. They considered three options: employment growth, existing jobs and total jobs (existing jobs and job growth) for the 2007-2014 RHNA period.

Using employment growth as a factor could assure that jurisdictions that are planning for employment growth also plan for commensurate housing. However, this alone would be ineffective in addressing historic regional jobs-housing imbalances, and therefore it is the least aggressive option. Existing jobs as an allocation factor would give relatively higher allocations to existing job centers and would therefore be the most aggressive toward historic jobs-housing imbalances. However, existing jobs does not take into account future job growth. Total jobs as a factor would give relatively higher allocations to jurisdictions that are both currently job centers and those with anticipated job growth. Therefore, this is a moderately aggressive approach, relative to the other two.

The final allocation method uses a combination of the least and most aggressive options. The method separately weights employment growth and existing employment, addressing historic jobs-housing imbalances, while also attempting to avert future imbalances. Although it is an aggressive

approach, it is more balanced than the use of total jobs as a factor. A total jobs factor would primarily direct growth to existing job centers, especially if it received the entire 45 percent weight for employment, as opposed to the 22.5 percent weight.

Existing Employment, 22.5 Percent

The location and amount of existing jobs in the region is determined through existing regional and local job data and regional and local economic trends. Trends include attractiveness of commercial/industrial locations. Labor force costs, housing prices, travel costs, access to potential employees, markets and presence of similar businesses - to take advantage of agglomeration economies - all make an area attractive for jobs.

The inclusion of existing employment as a factor in the allocation method ensures that regional housing need is allocated in a manner consistent with regional policies and state objectives, namely jobs-housing balance, infill development and increase in travel efficiencies and choices.

Employment Growth, 22.5 Percent

The forecast of the location and amount of employment growth in the Bay Area is based on local land use plans and policies, economic trends and regional policies. The estimate of employment growth also considers all local land protection policies and physical constraints.

The employment-related factors identified by both state law and the HMC for inclusion in the allocation method are also incorporated into the region's estimate of employment growth. These factors include: existing jobs centers, home-based businesses, employed residents, housing prices, household income and employment at private universities and campuses of the California State University or the University of California.

In addition, regional policies in ABAG's *Projections* ensures that employment growth as a RHNA factor creates consistency with both state and regional polices regarding growth, infill development and efficient use of land. Regional policies in *Projections* assume that relatively more job growth will occur in existing urbanized communities and near transit, while less growth is projected in outlying communities with no transit infrastructure, including those with agricultural areas and open space. In addition, regional assumptions would

promote greater use of public transportation through increased job development near transit.

Household Growth, Transit: 5 Percent Employment Growth, Transit: 5 Percent

Use of household and job growth near transit as weighted factors directs each local jurisdiction to plan for housing if they have an existing transit station and are planning for household or job growth near that station.

As a factor, "household growth near transit" allocates five percent of the regional housing need to jurisdictions based on their forecasted household growth near existing transit stations. The factor "employment growth near transit" allocates five percent of the region's housing need to jurisdictions based on their forecasted employment growth near existing transit stations.

For the purposes of the allocation method, transit is defined as areas with existing fixed alignment public transit. Transit services included are: Altamont Commuter Express (ACE), Bay Area Rapid Transit (BART), Caltrain, San Francisco MUNI light rail, the Capital Corridor, Santa Clara Valley Transportation Authority (VTA) light rail and ferries.

Growth near transit is defined as household or employment growth within one-half mile of an existing transit station, but eliminating any overlap between stations located within one mile of each other.

Placing a transit factor directly into the methodology gives extra weight to this state and regional objective. This is because a transit-based policy is already incorporated into ABAG's policy-based *Projections*. Current regional policy places incrementally more growth along major transportation corridors and at transit stations. Therefore, a housing need allocation that uses regional housing growth and employment as factors would indirectly include "transit" as a policy issue in the allocation formula.

Using transit as a factor in the methodology would give transit a greater degree of policy weight. The effect is that jurisdictions with existing transit stations would receive a relatively higher proportion of the housing needs allocation than jurisdictions without transit stations.

Transit is used as a direct factor, in part, due to the expectation that impacts of the

policy assumptions in *Projections* will not begin to take effect until 2010. Directing growth to areas with public transit in the allocation methodology ensures that this regional policy truly influences development patterns during the RHNA period.

A transit factor in the formula also addresses the state objectives and regional goals of encouraging the use of transit and the efficient use of transportation infrastructure. Housing near transit also promotes infill development, since transit stations are primarily in urbanized areas within the region.

Household Growth x .45

+

Employment Growth x .225

+

Existing Employment x

The Allocation Formula

Household growth, employment growth, employment and transit factors* are weighted together to create an allocation formula. Each factor describes a jurisdiction's "share" of a regional total. For example, if the region expects to grow by 100 households, and a city in the region is to grow by 10 households over the same period, then that city's "share" of the region's growth is 10 percent.

A jurisdiction's share of the regional housing need is assigned according to its percentage share of regional household growth, employment growth, existing employment, and household and employment growth near transit.

Jurisdi
Housing Nee

.225

Employment Growth near Transit x .05

+

Household Growth near Transit x .05

+

=

...ction's
...ed Allocation

** Growth is for the time period covering the RHNA
planning period, 2007 - 2014. The transit factors
refer to growth that occurs within a ½ mile of
existing fixed transit stations in the jurisdiction.*

A House.
Clara Fassinger, age 8

The income allocation method gives jurisdictions that have a relatively higher proportion of households in a certain income category a smaller allocation of housing units in that same category. Conversely, jurisdictions that have a lower proportion of households in an income category would receive a larger allocation of housing units in that same category.

Under this formula, the income distribution within each jurisdiction moves closer into alignment with the region-wide distribution of household income. By taking a jurisdiction's existing income distribution into account, we may avoid exacerbating existing concentrations of poverty within the region.

The multiplier acts as the key determinant in the distribution of affordable housing, and therefore household income around the region. The higher the multiplier, the more aggressive the redistribution. The Bay Area

Income Allocation Method

Two primary objectives of the state's regional housing needs process are to increase the supply of housing and to ensure that local governments consider the housing needs of persons at all income levels.

The income allocation portion of the Regional Housing Needs Allocation method is designed to ensure that each jurisdiction in the Bay Area plans for housing for people of every income.

The method is based on the region-wide distribution of household income. It also considers existing concentrations of poverty within the region.

The percent of households within the Bay Area that fall within each of the state-defined income categories are:

Very-Low, 23 Percent
Up to 50 percent of Median Income

16 Percent, Low
Between 50 and 80 percent of Median Income

19 Percent, Moderate
Between 80 and 120 percent of Median Income

42 Percent, Above-Moderate
Above 120 percent of Median Income

Once a jurisdiction's total need is calculated, using the formula listed in the last chapter, those total units are then divided using an income allocation method, based on region-wide income distributions. To address concentrations of poverty, each jurisdiction is given 175 percent of the difference between their 2000 household income distribution and the 2000 region-wide household income distribution.

Income Allocation Formula

The first step in calculating the income distribution of a jurisdiction's housing need allocation is to determine the difference between the regional proportion of households in an income category and the jurisdiction's proportion for that same category. Once determined, this difference is then multiplied by 175 percent. The result becomes that jurisdiction's "adjustment factor."

The jurisdiction's adjustment factor is added to the jurisdiction's initial proportion of households in each income category. The result is the total share of the jurisdiction's housing unit allocation for each income category.

Using Oakland as an example: the city's percent of household in the very low income category is 36 percent. The regional percentage in this category is 23 percent of households. The difference between 23 and 36 is -13. This is multiplied by 175 percent (the adjustment factor) for a result of -22.75. This number is then added to Oakland's original distribution of 36 percent, for a total share of about 13 percent.

A similar calculation for Piedmont, which has a relatively low proportion of households in the "very-low" income category, results in their adjustment factor amounting to 24. That amount is added to their proportion of households in the "very-low" income category. When added together, Piedmont's total percent of housing units in that category then becomes 33 percent. Therefore, 33 percent of their allocation must be affordable to families with very-low income.

City	Jurisdiction Proportion	Regional Proportion	Difference	Multiplier	Adjustment Factor	Total Share
Oakland	36	23	-13	175%	-23	13
Piedmont	9	23	14	175%	24	33

There was an Old Woman Who Lived in a Shoe...
in Oakland, Lake Merritt, Children's Fairyland.

The Sphere of Influence rule for the Bay Area's RHNA method states that each city with land-use permitting authority over its SOI should plan for all the housing needed to accommodate future housing growth, existing employment and employment growth within its sphere of influence.

Spheres of Influence

Every city in the Bay Area has a "sphere of influence" or SOI. The SOI boundary is designated by the county's Local Area Formation Commission (LAFCO). The LAFCO influences how government responsibilities are divided among jurisdictions and service districts within a county.

A city's SOI can be either contiguous with or go beyond the city's boundary. A city is responsible for planning for all areas within its SOI. The SOI is considered the probable future city boundary.

Spheres of Influence must be considered in the regional housing needs allocation process via a "rule" in the Regional Housing Needs Allocation method, if there is projected growth within a city's SOI. Most SOI areas within the Bay Area are anticpated to experience growth.

The primary SOI rule for the RHNA method is that each local jurisdiction with land-use permitting authority over its SOI should plan for all the housing needed to accommodate housing growth, existing employment and employment growth within their SOI.

A 100 percent allocation of the housing need to the jurisdiction that has land use control over the area would ensure that the jurisdiction that plans

for accommodating the housing units also receives credit for any units built during the RHNA period.

There are variations in the Bay Area in terms of whether a city or county has jurisdiction over land use and development within unincorporated SOIs. In response to these variations, the following SOI rules apply:

1. In Napa, Santa Clara, Solano, and Sonoma Counties, the allocation of housing need generated by the unincorporated SOI will be assigned to the cities.
2. In Alameda and Contra Costa Counties, the allocation of housing need generated by the unincorporated SOI will be assigned to the county.
3. In Marin County, 75 percent of the allocation of housing need generated by the unincorporated SOI will be assigned to the city; the remaining 25 percent will be assigned to the county.

These rules reflect the general approaches to SOIs in each county. Adjustments may be needed to better reflect local conditions. To allow flexibility, the methodology includes the following criteria:

1. Adjustments to SOI allocations shall be consistent with any pre-existing written agreement between the city and county that allocates such units, or
2. In the absence of a written agreement, the requested adjustment would allocate the units to the jurisdiction that has permitting authority over future development in the SOI.

Two requests for SOI allocation adjustments arose during the RHNA revision period. These requests were between the County of Santa Clara and the cities of Palo Alto and Mountain View. The final RHNA numbers, in Appendix A, reflect adjustments made to each city and to Santa Clara County.

When transfering units, jurisdictions are required to retain some very-low and low income units. Jurisdictions also must maintain the same income distribution as initially allocated when transfering units. Both of these requirements ensure that all jurisdictions in the region provide for their "fair share" of affordable housing. Through a transfer, a city or county may not abdicate its responsibility to provide affordable units.

The Houseboats. Sausalito, CA. Photos by Cynthia Warren

Transfer of Units

After the initial allocation, each local jurisdiction may request that it be allowed to transfer units with one or more willing partners. The transfer must take place in a way that maintains the total need allocation amongst all transfer parties, maintains income distribution of both retained and transferred units, and includes a package of incentives to facilitate production of housing units.

The transfer rule allows for the transfer of housing need between willing jurisdictions in conjunction with financial and non-financial resources. It maintains the integrity of the state's RHNA objectives by preventing any jurisdiction from abdicating its responsibility to plan for housing across all income categories.

Request for transfer of RHNA allocations between jurisdictions must adhere to the following provisions:

1. Have at least two willing partners and the total number of units within the group requesting the transfer cannot be reduced.

2. Include units at all income levels in the same proportion as initially allocated.

3. All members of the transfer group must retain some allocation of very low and low income units.

4. The proposed transfer must include a specifically defined package of incentives and/or resources that will enable the jurisdiction(s) receiving an increased allocation to provide more housing choices than would otherwise occur absent the transfer and the accompanying incentives or resources.

5. If the transfer results in a greater concentration of very low or low income units in the receiving jurisdiction, the effect must be offset by findings by the members of the transfer group that address the RHNA objectives.

For example, the findings might include: (a) there is such an urgent need for more housing choices in those income categories that the opportunity to effect more housing choices in these categories offsets the impacts of over-concentration; or (b) the package of incentives and/or resources are for mixed income projects; or (c) the package of incentives and/or resources are for "transitional" housing for very low or low income households

being relocated for rehabilitation of existing very low or low income units; or (d) the package of incentives and/or resources are for additional units that avoid displacement or "gentrification" of existing communities.

6. For the transfer of very low and low income units, there are restrictions that ensure the long-term affordability of the transferred units.

7. Transfers must comply with all other statutory constraints and be consistent with the RHNA objectives.

Cynthia Warren

Innovative, Sustainable Micro-Infill

When in doubt about how your city may accommodate its new housing allocation, going small may be an option.

Bottom photo is of a "rammed earth" cottage, located in the backyard of a home in the Temescal District of Oakland. It is a mere 360 square feet.

Rather than use standard wood studs, owners brought in earth from Nunn's Canyon Quarry, located in Sonoma. The earth is made of quarry fine, technically a waste material. This building technique has been used around the world for centuries, but it's more typically associated with rural settings. Results are exposed 1-foot thick walls that never need painting and are immune to pests and rotting.

To learn more, see www.sfgate.com/cgi-bin/article.cgi?file=/gate/archive/2005/05/06/carollloyd.DTL

Carol Lloyd

San Mateo Subregion

The County of San Mateo, in partnership with all twenty cities in the county, formed a subregion. The formation of a subregion, for the purposes of conducting the RHNA, is allowed by state law.

The San Mateo subregion designated the City/County Association of Governments (C/CAG) as the entity responsible for coordinating and implementing the subregional RHNA process.

Upon the State's determination of the total regional need, as required by law, ABAG assigned a share of the regional need to the San Mateo subregion. According to the law, the subregion's share is to be "in a proportion consistent with the distribution of households" from 2007-2014 in *Projections 2007*. San Mateo's share of units was also assigned by income category. The income distribution was determined by the regional average distribution of income.

San Mateo County's household growth during the RHNA period, 2007-2014, is estimated at 12,184 households. Household growth in the region over the same period is estimated at 166,060. San Mateo County's regional share of household growth is 7.3 percent.

Applying this percent to the total regional housing need of 214,500 units gives San Mateo County a minimum subregional housing need assignment of 15,738 units, or 7.3 percent of the total regional need.

Subregion Allocation Method

The San Mateo subregion was responsible for completing its own RHNA process. Their process paralleled, but was separate from, the Bay Area's RHNA process. San Mateo created its own methodology, issued draft allocations, and handled the revision and appeal processes. They also issued final allocations to members of the subregion.

Although the subregion worked independently of the regional RHNA process, ABAG is ultimately responsible for ensuring that all of the region's housing need is allocated. Thus, if the subregion were to fail at any point in its attempt to develop a final RHNA allocation for the subregion, ABAG would have had to complete the allocation process for the members of the subregion.

The San Mateo subregion housing allocation method mirrored ABAG's final method. The same factors and weights were used, as documented on page 23 of this report.

Once units were allocated, using the ABAG formula, several cities in San Mateo agreed to transfer units. Transfering cities were subjected to the same rules regarding transfers, as listed on page 37.

Final city-level allocations for the San Mateo Subregion are listed in Appendix A.

San Mateo Subregion Allocation

Very Low	3,588
Low	2,581
Moderate	3,038
Above-Moderate	6,531
Total	15,738

The Bay Area's own "Flinstone House" offers an innovative housing concept and provides Interstate 280 travelers with visual fun.

"Yaba-daba-doo!"

Concluding RHNA

The Regional Housing Needs Plan, as fully described in this document, took over two years to develop. This plan's success is largely due to the commitment and hard work of the many individuals involved.

We arrived at the final methodology only after numerous committee and public meetings that took place throughout the region. Outside of committee or public meetings, we provided information to people over the telephone, through newsletters, emails and our web site.

This outreach generated many comments on our regional population, household and job forecast, *Projections 2007*. We also received feedback on numerous draft RHNA methodologies.

Even now, with our method complete and after all the housing needs numbers have been allocated, our outreach continues. There remains great interest in the RHNA process, how the allocation formula works and what is now required of local governments.

Once draft allocations for individual jurisdictions were produced, only 19 of the Bay Area's 109 jurisdictions asked for revisions to their numbers. Out of those requests, one was granted. Five of the 19 jurisdictions then appealed their allocations

to an ABAG Executive Board RHNA Appeals Sub-committee. This sub-committee was made up of local elected officials.

Of the five appeals, one was granted. Another appeal was resolved through a trade made between jurisdictions. Limited appeals are evidence of a highly constructive RHNA process.

While RHNA may have its difficulties and be perceived as controversial in many jurisdictions, our process was widely recognized as fair, professional, cooperative and open. And in the end, many would agree that this 2007-2014 RHNA is progressive in addressing our region's significant housing, transportation and environmental issues.

We hope you have found this report useful in explaining all aspects of RHNA. If further information is needed, please visit our Bay Area RHNA web site at: www.abag.ca.gov/planning/housing needs.

Thank you.

Endnotes

[1] All data in the "San Francisco Bay Area" chapter, except where noted, is from Association of Bay Area Governments, *Projections 2007*

[2] Affordability percentages calculated using California Association of Realtors "First-time Buyer Housing Affordability Index", Available at http://www.car.org/index.php?id=MzcxMTU= Note: Formula adjusted to reflect no more than 30 percent of income toward total mortgage vs. recommended 40 percent; May 2008

[3] California Home Sale Activity by City, Home Sales Recorded in the Year 2007, DQNews, Available at http://www.dqnews.com/Charts/Annual-Charts/CA-City-Charts/ZIPCAR07.aspx

[4] California State Department of Finance, E-5 Report, *City/County Population and Housing Estimates*, January 1, 2008

[5] All transportation data cited in the "Transportation" section comes from the Metropolitan Transportation Commission, *Bay Area Transportation: State of the System 2006,* p. 3-4

[6] Affordability percentages calculated using California Association of Realtors "First-time Buyer Housing Affordability Index", Available at http://www.car.org/index.php?id=MzcxMTU= Note: Formula adjusted to reflect no more than 30 percent of income toward total mortgage vs. recommended 40 percent; May 2008

[7] Metropolitan Transportation Commission, Transportation 2030, percentages calculated from 2005-2030

[8] Bay Area Air Quality Management District. *BAAQMD Bay Area 2005 Ozone Strategy*. January 2006.

[9] Bay Area Air Quality Management District. *Ambient Air Quality Standards & Bay Area Attainment Status*. January 2007. Available at: www.baaqmd.gov/pln/air_quality/ambient_air_quality.htm.

[10] Cummins, S. K. and Jackson, R. "The Built Environment and Children's Health." 2001. *Pediatric Clinics of North America* 48(5): 1241-1252.

[11] California Department of Transportation. *2004 HICOMP Report*. June 2006: California Department of Transportation, District 4, Office of Highway Operations. "Information Memorandum: Year 2002 Bay Area Freeway Congestion Data." 2003

[12] 2005 American Community Survey. U.S. Census Bureau.

[13] Ewing, Reid, Bartholomew, Keith, et al. "Growing Cooler: The Evidence of Urban Development on Climate Change." Urban Land Institute, p. 4.

[14] California Department of Housing and Community Development, Overview of Housing Element Law, Available at: http://www.hcd.ca.gov/hpd/housing_element/index.html

[15] Fassinger, Paul, *2007-2014 Regional Housing Need Allocation*, Staff memo to ABAG's Executive Board, April 17, 2007

[16] Very-low income is 50 percent or less of area median income (AMI), low-income is 50 to 80 percent of AMI, moderate-income is 80 to 120 percent of AMI, above-moderate is 120 percent or more of AMI.

[17] For more details about these sections of the methodology, see ABAG's website at www.abag.ca.gov/planning/housingneeds.

[18] Adopted by ABAG's Executive Board, January 2007.

Appendix A: Regional Housing Needs Allocation, 2007 to 2014

San Francisco Bay Area Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
SF Bay AreaTotal	48,840	35,102	41,316	89,242	214,500

Alameda County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
Alameda	482	329	392	843	2,046
Albany	64	43	52	117	276
Berkeley	328	424	549	1,130	2,431
Dublin	1,092	661	653	924	3,330
Emeryville	186	174	219	558	1,137
Fremont	1,348	887	876	1,269	4,380
Hayward	768	483	569	1,573	3,393
Livermore	1,038	660	683	1,013	3,394
Newark	257	160	155	291	863
Oakland	1,900	2,098	3,142	7,489	14,629
Piedmont	13	10	11	6	40
Pleasanton	1,076	728	720	753	3,277
San Leandro	368	228	277	757	1,630
Union City	561	391	380	612	1,944
Unincorporated	536	340	400	891	2,167
Alameda Total	10,017	7,616	9,078	18,226	44,937

Contra Costa County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
Antioch	516	339	381	1,046	2,282
Brentwood	717	435	480	1,073	2,705
Clayton	49	35	33	34	151
Concord	639	426	498	1,480	3,043
Danville	196	130	146	111	583
El Cerrito	93	59	80	199	431
Hercules	143	74	73	163	453
Lafayette	113	77	80	91	361
Martinez	261	166	179	454	1,060
Moraga	73	47	52	62	234
Oakley	219	120	88	348	775
Orinda	70	48	55	45	218
Pinole	83	49	48	143	323
Pittsburg	322	223	296	931	1,772
Pleasant Hill	160	105	106	257	628
Richmond	391	339	540	1,556	2,826
San Pablo	22	38	60	178	298
San Ramon	1,174	715	740	834	3,463
Walnut Creek	456	302	374	826	1,958
Unincorporated	815	598	687	1,408	3,508
Contra Costa Total	**6,512**	**4,325**	**4,996**	**11,239**	**27,072**

Marin County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
Belevedere	5	4	4	4	17
Corte Madera	66	38	46	92	244
Fairfax	23	12	19	54	108
Larkspur	90	55	75	162	382
Mill Valley	74	54	68	96	292
Novato	275	171	221	574	1,241
Ross	8	6	5	8	27
San Anselmo	26	19	21	47	113
San Rafael	262	207	288	646	1,403
Sausalito	45	30	34	56	165
Tiburon	36	21	27	33	117
Unincorporated	183	137	169	284	773
Marin Total	**1,095**	**754**	**977**	**2,056**	**4,882**

Napa County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
American Canyon	169	116	143	300	728
Calistoga	17	11	18	48	94
Napa	466	295	381	882	2,024
St. Helena	30	21	25	45	121
Yountville	16	15	16	40	87
Unincorporated	181	116	130	224	651
NapaTotal	**879**	**574**	**713**	**1,539**	**3,705**

San Francisco County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
San Francisco	6,589	5,535	6,754	12,315	31,193
San Francisco Total	**6,589**	**5,535**	**6,754**	**12,315**	**31,193**

San Mateo County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
Atherton	19	14	16	34	83
Belmont	91	65	77	166	399
Brisbane	91	66	77	167	401
Burlingame	148	107	125	270	650
Colma	15	11	13	26	65
Daly City	275	198	233	501	1,207
East Palo Alto	144	103	122	261	630
Foster City	111	80	94	201	486
Half Moon Bay	63	45	53	115	276
Hillsborough	20	14	17	35	86
Menlo Park	226	163	192	412	993
Millbrae	103	74	87	188	452
Pacifica	63	45	53	114	275
Portola Valley	17	12	14	31	74
Redwood City	422	304	358	772	1,856
San Bruno	222	160	188	403	973
San Carlos	137	98	116	248	599
San Mateo	695	500	589	1,267	3,051
South San Francisco	373	268	315	679	1,635
Woodside	10	7	8	16	41
Unincorporated	343	247	291	625	1,506
San Mateo Total	**3,588**	**2,581**	**3,038**	**6,531**	**15,738**

Santa Clara County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
Campbell	199	122	158	413	892
Cupertino	341	229	243	357	1,170
Gilroy	319	217	271	808	1,615
Los Altos	98	66	79	74	317
Los Altos Hills	27	19	22	13	81
Los Gatos	154	100	122	186	562
Milpitas	689	421	441	936	2,487
Monte Sereno	13	9	11	8	41
Morgan Hill	317	249	246	500	1,312
Mountain View	571	388	488	1,152	2,599
Palo Alto	690	543	641	986	2,860
San Jose	7,751	5,322	6,198	15,450	34,721
Santa Clara	1,293	914	1,002	2,664	5,873
Saratoga	90	68	77	57	292
Sunnyvale	1,073	708	776	1,869	4,426
Unincorporated	253	192	232	413	1,090
Santa ClaraTotal	**13,878**	**9,567**	**11,007**	**25,886**	**60,338**

Solano County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
Benicia	147	99	108	178	532
Dixon	197	98	123	310	728
Fairfield	873	562	675	1,686	3,796
Rio Vista	213	176	207	623	1,219
Suisun City	173	109	94	234	610
Vacaville	754	468	515	1,164	2,901
Vallejo	655	468	568	1,409	3,100
Unincorporated	26	16	18	39	99
Solano Total	3,038	1,996	2,308	5,643	12,985

Sonoma County Housing Needs Allocation, 2007 to 2014

	Very Low, <50%	Low, <80%	Moderate, <120%	Above Moderate	Total
Cloverdale	71	61	81	204	417
Cotati	67	36	45	109	257
Healdsburg	71	48	55	157	331
Petaluma	522	352	370	701	1,945
Rohnert Park	371	231	273	679	1,554
Santa Rosa	1,520	996	1,122	2,896	6,534
Sebastopol	32	28	29	87	176
Sonoma	73	55	69	156	353
Windsor	198	130	137	254	719
Unincorporated	319	217	264	564	1,364
Sonoma Total	**3,244**	**2,154**	**2,445**	**5,807**	**13,650**