



SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
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**REGULAR MEETING**

**REGIONAL HOUSING  
NEEDS ASSESSMENT  
(RHNA) SUBCOMMITTEE**

*Monday, October 7, 2019  
10:00 a.m. – 12:00 p.m.*

**SCAG Main Office  
900 Wilshire Blvd., Ste. 1700  
RC Board Room  
Los Angeles, CA 90017  
(213) 236-1800**

**See Next Page for Other Meeting Locations and  
Webcasting information**

If members of the public wish to review the attachments or have any questions or comments on any of the agenda items related to RHNA, please send an email to [housing@scag.ca.gov](mailto:housing@scag.ca.gov). Agendas and Meeting Minutes are also available at: [www.scag.ca.gov/committees](http://www.scag.ca.gov/committees)

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## **Videoconference Sites & Addresses**

### SCAG Los Angeles Office (Main Office)

900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017

### SCAG Imperial County Regional Office

1503 N. Imperial Ave., Ste. 104, El Centro, CA 92243

### SCAG Orange County Regional Office

600 S. Main St., Orange, CA 92868

*\*Due to limited capacity, please RSVP prior to the meeting to ensure availability,  
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### SCAG Riverside County Regional Office

3403 10<sup>th</sup> St., Ste. 805, Riverside, CA 92501

### SCAG San Bernardino County Regional Office

1170 W. 3<sup>rd</sup> St., Ste. 140, San Bernardino, CA 92410

### SCAG Ventura County Regional Office

4001 Mission Oaks Blvd., Ste. L, Camarillo, CA 93012

### Coachella Valley Association of Governments Office

73-710 Fred Waring Dr., Ste. 200, Palm Desert, CA 92260

### City of Palmdale Office

38250 Sierra Hwy., Palmdale, CA 93550

### South Bay Cities Council of Governments Office

South Bay Environmental Services Center, 20285 S. Western Avenue, Suite 100 Torrance, CA 90501

**Webcasting Available** - Webcast participation is view-only.

**To the meeting**, click on this link: <https://scag.zoom.us/j/807124298>

**To by phone**, please dial 1-669-900-6833 and Enter Meeting ID: 807 124 298

## **RHNA SUBCOMMITTEE MEMBERS – RHNA 6<sup>TH</sup> CYCLE**

### **VOTING MEMBERS**

#### **Representing Imperial County**

Primary: Hon. Jim Predmore, Holtville  
Alternate: Hon. Bill Hodge, Calexico

#### **Representing Los Angeles County**

Primary: Hon. Margaret Finlay, Duarte  
Alternate: Hon. Rex Richardson, Long Beach

#### **Representing Orange County**

Primary: Hon. Wendy Bucknum, Mission Viejo  
Alternate: **CHAIR** Peggy Huang, Yorba Linda, TCA

#### **Representing Riverside County**

Primary: Hon. Rusty Bailey, Riverside  
Alternate: Hon. Russell Betts, Desert Hot Springs

#### **Representing San Bernardino County**

Primary: Hon. Bill Jahn, Big Bear Lake  
Alternate: Hon. Jim Mulvihill, San Bernardino

#### **Representing Ventura County**

Primary: Hon. Carmen Ramirez, Oxnard  
Alternate: Hon. Mike Judge, Simi Valley, VCTC

### **NON-VOTING/EX-OFFICIO MEMBERS**

#### **Representing Academia**

Ex-Officio: Paavo Monkkonen, Vice Chair, Dept. of Urban Planning, UCLA

#### **Representing Non-Profit/Advocate**

Ex-Officio: Cesar Covarrubias, Executive Director, Kennedy Commission

#### **Representing Building Industry**

Ex-Officio: Jeff Montejano, Chief Executive Officer, BIA of Southern California

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## AGENDA RHNA SUBCOMMITTEE MEETING

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Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, California 90017  
**Monday, October 7, 2019**  
**10:00 AM**

*The RHNA Subcommittee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as Information or Action Items.*

### **CALL TO ORDER AND PLEDGE OF ALLEGIANCE** *(The Honorable Peggy Huang, Chair)*

### **ROLL CALL**

### **PUBLIC COMMENT PERIOD**

Members of the public desiring to speak on items not on the agenda but within the purview of the RHNA Subcommittee are asked to speak during the public comment period at the designated time at the beginning of the agenda. For questions and comments related to listed items on the agenda, members of the public desiring to speak may speak after the staff presentation and questions from Subcommittee members for each listed item. For those who attend via videoconferencing, please e-mail your name and the agenda item number you wish to speak to [housing@scag.ca.gov](mailto:housing@scag.ca.gov) at the beginning of the meeting. Comments will be limited to three (3) minutes per speaker. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the time per speaker and/or the total time for all public comments if needed in order to complete all agenda items.

Questions and comments related to RHNA may also be emailed to [housing@scag.ca.gov](mailto:housing@scag.ca.gov) including the scenario while there is no time for public comments for a particular agenda item.

### **REVIEW AND PRIORITIZE AGENDA ITEMS**

### **CONSENT CALENDAR**

#### **Approval Item**

1. Minutes of the Meeting – July 22, 2019



**Receive and File**

2. RHNA Subcommittee Topic Outlook Page 11
3. Summary of Written Comments Received for the 6<sup>th</sup> Cycle RHNA Page 12
4. Objection Letter to the Regional Determination Page 24

**ACTION ITEM**

5. Recommended Draft RHNA Methodology Page 34  
*(Kome Ajise, Executive Director)*

**CHAIR'S REPORT**

*(The Honorable Peggy Huang, Chair)*

**STAFF REPORT**

**ANNOUNCEMENT/S**

**ADJOURNMENT**

*The next regular meeting of the RHNA Subcommittee is tentatively scheduled for January 6, 2019 at 10 a.m. at the Wilshire Grand Center, 900 Wilshire Boulevard, Suite 1700, Los Angeles, CA 90017.*

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Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017  
**October 7, 2019**

**REGIONAL HOUSING NEEDS ASSESSMENT SUBCOMMITTEE**  
**of the**  
**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

**July 22, 2019**  
**Minutes**

**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL HOUSING NEEDS ASSESSMENT SUBCOMMITTEE. AN AUDIO RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING.**

The Regional Housing Needs Assessment Subcommittee held its meeting at SCAG’s downtown Los Angeles office. A quorum was present.

**VOTING MEMBERS**

Representing Imperial County

Primary: Hon. Jim Predmore, Holtville Present -- via videoconference  
Alternate: Hon. Bill Hodge, Calexico Present – in-person (late)

Representing Los Angeles County

Primary: Margaret Finlay, Duarte Present – in-person  
Alternate: Hon. Rex Richardson, Long Beach Present – in-person

Representing Orange County

Primary: Hon. Wendy Bucknum, Mission Viejo Present – in-person  
Alternate: CHAIR Peggy Huang, Yorba Linda, TCA Present – in-person

Representing Riverside County

Primary: Hon. Rusty Bailey, Riverside Present – absent  
Alternative: Hon. Russell Betts, Desert Hot Springs Present – via videoconference

Representing San Bernardino County

Primary: Hon. Bill Jahn, Big Bear Lake Present – in-person  
Alternate: Hon. Jim Mulvihill, San Bernardino Present – in-person

Representing Ventura County

Primary: Hon. Carmen Ramirez, Oxnard Present – in-person  
Alternate: Hon. Mike Judge, Simi Valley Present – via teleconference

**OUR MISSION**

*To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.*

**OUR VISION**

*Southern California’s Catalyst for a Brighter Future*

**OUR CORE VALUES**

*Be Open | Lead by Example | Make an Impact | Be Courageous*



**NON-VOTING/EX-OFFICIO MEMBERS**

Academia: Paavo Monkkonen, UCLA Urban Planning	Present – in-person (late)
Non-Profit/Advocate: Cesar Covarrubias, Kennedy Commission	Present – absent
Building Industry: Jeff Montejano, BIA of Southern California	Present – absent

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

The Honorable Jim Mulvihill called the meeting to order at 10:00 AM and asked the Honorable Carmen Ramirez to lead the Subcommittee in the Pledge of Allegiance.

**PUBLIC COMMENT PERIOD**

Nick Maricich, representing the Office of City of Los Angeles Mayor Eric Garcetti, communicated the Mayor’s desire for an equitable approach on meeting housing needs. Mr. Maricich stated that Mayor Garcetti felt that a credible RHNA process should be established that truly addresses the shortage of housing across the region and that Mayor Garcetti looked forward to collaborating on RHNA process that adequately addresses projected and accumulated housing need.

Leonora Camner, representing Abundant Housing Los Angeles, emphasized the housing crisis within the region and how important RHNA is as the State of California’s mechanism for addressing this housing crisis. Ms. Camner stated it would be better to overestimate the amount of housing units needed for this RHNA cycle, opting for a regional determination of 2.7 million units or above in the SCAG region. Ms. Camner noted that su[p]the existing homelessness issue that is tied to the current housing crisis and how important it is to have the final regional determination number align with solutions for solving the climate crisis to reduce overall emissions.

Rebecca Muli, representing Abundant Housing Los Angeles, wished to share her family’s personal experiences with the State’s housing crisis. Ms. Muli supported the comments made earlier by Ms. Camner about how rising homelessness has become an issue along with families being pushed out further from their jobs. Ms. Muli closed her comment by reiterating the importance of the RHNA process being able to provide an adequate regional determination that will not prolong or worsen the State’s housing crisis in the future.

Mayor John Mirisch, representing the City of Beverly Hills, wished to point out that “abundant” housing does not always mean that the housing provided is also affordable. Mayor Mirisch felt that there was more of an affordability crisis or challenge related to the housing market. He referenced an Embarcadero Institute study that theorized a 3.5 million unit allocation for the State of California and how it was determined to be extremely overstated. Mayor Mirisch then emphasized the importance of looking at the long-term goals for each jurisdiction to properly determine overall distribution of affordable housing units.



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Chris Williamson, a member of the public, commented that the RHNA cycle goes beyond the 8 years in which it plans for and emphasized that the process overall works with perpetual growth within the SCAG region because of its desirable location that brings in worldwide demand. Mr. Williamson posed the idea of looking outside the box and looking into how the region can achieve economic prosperity without population growth. Mr. Williamson then referenced a “Commission on Population Growth for the American Future” from 1972 that brought together a number of experts who produced an extensive document that detailed issues such as fires and water shortages due to high population growth. With this example, Mr. Williamson wished to again bring up the idea of looking into economic growth while also looking into how to control population growth within the region.

Joe McKee, a member of the public commenting via videoconference from the Riverside office, stated his prior experience with working on the State of California’s housing program and how he had witnessed for five different RHNA cycles the same process of proposing to fix the region’s housing crisis. Mr. McKee acknowledged that the RHNA process was created with the best intentions but the results have produced the opposite effect with high numbers of unaffordable housing units, large amounts of pollution that cannot be reduced, and transportation congestion. Mr. McKee then emphasized that RHNA alone is not a solution for mediating the housing crisis and has historically not been able to solve it.

Holly Osborne, a member of the public commenting from the South Bay COG office, referenced a letter she addressed to the RHNA Subcommittee in which she requested data for the City of Los Angeles and City of San Francisco to look further into the amount of “totally vacant” properties, unavailable properties that are being used for AirBnbs, and pied-à-terre properties. From the data received about these properties Ms. Osborne felt it was important to know how many were American-owned versus those that were foreign-owned properties, the reasoning being that these units that are foreign-owned are unable to be occupied by local residents who might have a greater need for occupying them. Ms. Osborne also shared findings that labeled Los Angeles as the nation’s top area for foreign investment properties and how that correlates with her concerns which she felt should be looked into further.

Yohan Walker, representing Jefferson Park and Empowerment Congress North, commented on the severity of the housing crisis and the issue of access to adequate housing in the region. Mr. Walker wished to advocate for a RHNA allocation process that is transparent and would sufficiently address the housing crisis. He also mentioned his desire for access to information regarding the RHNA process for those that are unfamiliar with it and wish to learn more and be more involved.

Joann Africa, Chief Legal Counsel, then briefly acknowledged written comment letters that SCAG staff received and were addressed to the RHNA Subcommittee prior to the meeting, including by the City of Long Beach, County of Los Angeles Office of Regional Planning, City of Garden Grove, City

of Ojai, City of South Gate, City of Malibu, the office of Councilmember Joe Buscaino of Los Angeles, the League of Women Voters – Los Angeles, and Redondo Beach resident Holly Osborne. Ms. Africa noted that the letter had been made available to the Subcommittee. She also highlighted some topics from these detailed letters including the need for a higher social equity factor and better addressing loss of units.

### **REVIEW AND PRIORITIZE AGENDA ITEMS**

There was no prioritization of agenda items.

### **CONSTENT CALENDAR**

#### **Approval Item**

1. Minutes of June 3, 2019 Meeting

A MOTION was made (President Bill Jahn, San Bernardino County) to approve the Minutes of the June 3, 2019 Meeting. The MOTION was SECONDED (Primary Member Margaret Finlay, Los Angeles County) and APPROVED by the following votes:

**AYES:** Predmore (Imperial County), Finlay (Los Angeles County), Bucknum (Orange County), Betts (Riverside County), Jahn (San Bernardino County), Ramirez (Ventura County) (6).

**NOES:** None (0).

**ABSTAIN:** None (0).

#### **Receive and File**

2. 6<sup>th</sup> Cycle RHNA Timeline

3. RHNA Subcommittee Topic Outlook

4. Summary of Written Comments Received for the 6<sup>th</sup> Cycle RHNA

A MOTION was made (President Bill Jahn, San Bernardino County) to approve the Consent Calendar. The MOTION was SECONDED (Primary Member Margaret Finlay, Los Angeles County) and APPROVED by the following votes:

**AYES:** Predmore (Imperial County), Finlay (Los Angeles County), Bucknum (Orange County), Betts (Riverside County), Jahn (San Bernardino County), Ramirez (Ventura County) (6).

**NOES:** None (0).

**ABSTAIN:** None (0).

### **ACTION ITEM**

#### 5. Proposed RHNA Methodology Options for Public Review

Kome Ajise, Executive Director of SCAG, prefaced the presentation for this agenda item by stating that three proposed methodologies would be presented on and were formulated by SCAG staff in the previous weeks and months after incorporating Subcommittee and stakeholder feedback up to that point. Mr. Ajise then acknowledged the concerns given in public comments so far from individuals and jurisdictions and reminded everyone that whichever methodology does get submitted to HCD is still subject to their review, which will require substantial evidence to ensure that the methodology that does get submitted on behalf of SCAG meets the region's housing objectives. He continued on to emphasize SCAG's priority to ensure that the RHNA process is fair and meets all requirements of the law, expressing how this current housing crisis requires collaboration and consensus on a regional level to adequately address the region's housing need. Mr. Ajise stated that there should also be an element of looking beyond RHNA from SCAG's position to help jurisdictions build housing overtime.

Ma'Ayn Johnson, SCAG staff, presented about the three options for the proposed RHNA methodology. Ms. Johnson briefly began her presentation by reiterating the timeline of the RHNA process as well as the overall objectives of RHNA for the SCAG region. She then clarified that these three options were developed after considering feedback from the RHNA Subcommittee and stakeholders throughout the region and that each option has different components that are applied differently. Ms. Johnson explained that pending action from the Regional Council on August 1, the options would be released for public review and comment, and that SCAG staff would also be holding public hearings to obtain as much feedback as possible from all who wish to submit public comment.

Ms. Johnson then explained that proposed methodology Option 1 includes regional share of population, share of population within HQTAs, share of regional undersupply of building permits issued, and household growth based on local input. A social equity adjustment of 110% would be applied to existing need and a 150% adjustment would be applied for projected need. Option 2 would consider regional share of population, share of population within HQTAs, and a 150% social

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equity adjustment as methodology components. Lastly, Option 3 would consider share of household growth and a 150% social equity adjustment. Ms. Johnson then applied these three options to scenarios for two different example cities with contrasting different socioeconomic factors to showcase how each option would distribute their RHNA allocation.

Ms. Johnson then closed her presentation by explaining the next steps in the RHNA process for the public comment period and stated that after the period closes, SCAG staff would be presenting one single methodology after review from all comments received. The Honorable Carmen Ramirez, Ventura County, asked a question about high-quality transit that is slated to be built throughout the region and if it would be incorporated into methodology calculations. Ms. Johnson responded that it was based more on current HQTAs data.

Alex Contreras, representing California YIMBY, presented a public comment about the proposed methodology options, stating that Option 1 would provide greater income variability but expressed dissatisfaction of the inclusion of local inputs with two of the three options. Ms. Contreras felt that including local inputs would work adversely towards equal distribution of housing units across jurisdictions as seen in the previous RHNA cycle and as such, felt that Option 2 would be the best overall as it excludes local inputs.

Soyeon Choi, representing the County of Los Angeles Department of Regional Planning, commented that the County would support Option 1 the most because Options 2 and 3 did not seem to consider multiple key factors that are important to the region, such as local inputs excluded in Option 2. Ms. Choi also stated that Option 3 leaves out where the population currently resides and where population growth is likely to happen in proximity to jobs and HQTAs. Ms. Choi stated that though the County favors Option 1, some changes could still be made and pointed out that the component of building permit activity could be considered a baseline for jurisdictions but should consider if low permit activity is due to environmental hazard constraints or lack of development efforts.

Valerie Acevedo, representing the Southern California Association for Non-Profit Housing (SCANPH), commented that SCANPH as an organization aims to facilitate development of affordable housing by partnering with developers who build housing for those most economically disadvantaged and in need of affordable housing. Ms. Acevedo emphasized the State of California's current housing crisis and how RHNA can act as a tool to help provide adequate housing to address this crisis in the future. Ms. Acevedo commented on the importance of SCAG ensuring that the RHNA process aligns with the State's Housing Element laws and includes the necessary affordable housing units to accommodate the region's growth.

Jed Leano, representing the City of Claremont, posed a question about Option 3 in terms of high proposed RHNA allocation numbers in relation to population growth presented in the draft methodology. Mr. Leano expressed concerns with these potentially high numbers and questioned if

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this could be a potential trend amongst other jurisdictions as well. Mr. Leano also presented a question about Option 1 and how the projected need calculation would be effected if population count data was used instead of household count data to be more objective. He also expressed curiosity about if building permit activity relative to population would work well as a disincentive to not permit within jurisdictions.

Christopher Koontz, representing the City of Long Beach, expressed his concerns with Option 1 and how the City of Long Beach has certain socioeconomic factors that would unequally distribute housing among income levels if any of the three options were to be used for its RHNA allocation, making it infeasible for the City to properly provide for the housing units that would be required from its RHNA allocation. Mr. Koontz requested that Option 1 be updated to include a more robust social equity adjustment of at least 175% or higher.

Dan Silver, representing the Endangered Habitats League, compared the proposed RHNA methodology being considered by the San Diego Association of Governments (SANDAG) with SCAG's. Mr. Silver felt that SCAG staff should consider a job factor in a similar fashion to SANDAG who he felt placed more of an emphasis on higher percentages of access to transit and location of jobs. Mr. Silver stated that SCAG's proposed methodology should not focus so much on current trends as it could perpetuate the same historical problems.

Devon Baker, representing the City of Claremont, wished to ask about and express concern over projected vacancy rates which he felt that cities like Claremont do not align with. Mr. Baker stated that currently the City of Claremont does not meet the percentages given in the proposed methodology and how the RHNA process will assist in making sure jurisdictions can meet these percentages, assuming they will increase or decrease over time.

Isaac Cui, representing pro-housing group Inclusive Claremont, commented on some confusion he felt when looking at projected household growth in Options 1 and 3, stating that though he felt there was benefit of using this factor, there could also be a tendency for some jurisdictions that would opt them out of building more affordable housing. Mr. Cui wished to hear more about how the proposed methodologies could account for situations like this. Mr. Cui also felt it was important for the next RHNA cycle to create a separation between unmet, existing, and future need to be more equitable and pointed out that HQTAs allocations should also be applied to future need.

Rachel Horster representing the League of Women Voters – Mt. Baldy Area, commented on the importance of having this RHNA methodology be as accurate as possible to account for all of those in need, which include middle-class families seeking mid-size housing such as her own. Ms. Horster emphasized the importance of including unmet need and advocated for Option 1.

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Eve Kaufman, representing pro-housing group Inclusive Claremont, expressed the importance of separating existing need from projected need. Ms. Kaufman felt Option 1 to be most suitable for the proposed methodology but still felt that it could be more considerate of what will be done within jurisdictions to ensure fair local inputs and to adequately meet the needs of the current housing crisis demands.

Mayor John Mirisch, representing the City of Beverly Hills, addressed comments made by California YIMBY about the City of Beverly Hills' RHNA allocation in the last cycle, stating that there was no political influence that resulted in the jurisdiction's allocation number but that it was derived from projected growth. Mayor Mirisch went on to state that the City of Beverly Hills has maintained a stable density for over half a century which resulted in lower population growth and as such, a lower RHNA allocation number. He then expressed the City's willingness to accept funding for affordable housing and working with SCANPH to get this housing built. Mayor Mirisch requested to look at other factors such as gentrification and infrastructure need to properly determine equitable distribution so that there could be less overcrowding in cities.

Robert Flores, representing the unincorporated Riverside County, wished to confirm receipt of a letter sent on behalf of the County of Riverside dated July 18, 2019. He then went on to describe the unique situation of unincorporated Riverside County in which they are being asked to provide a high number of housing units despite not being equipped to do so financially. Mr. Flores stated that unlike the City of Los Angeles, which might have a comparable RHNA allocation, unincorporated Riverside County does not have the same type of urban infrastructure or passenger rail stations that can accommodate for such a high number of housing units.

Joe McKee, a member of the public commenting via videoconference from the Riverside office, wanted to reiterate a previous point made about properly and thoroughly incorporating jobs-housing balance within the RHNA methodology and stated that similar issues about some jurisdictions not wanting to build housing in Los Angeles County is an issue within Riverside County as well, stating that it is crucial that these jurisdictions build housing for their workforce instead of pushing the responsibility out further.

Paul Rodriguez, representing the City of Chino, commented that all of the different factors such as jobs-housing balance and transportation congestion should be looked at as different systems that are all interconnected, as he felt that by doing so could help with determining the best approach to solving the overall problem.

Some RHNA Subcommittee members commented on various aspects of the options proposed methodology as well as on some points from public comments heard at the meeting.

The Honorable Wendy Bucknum, Orange County, emphasized the importance of incorporating factors that will bring in the most accurate data in regards to Option 1. Honorable Russell Betts, Riverside County, requested that the proposed methodology be looked at once again to consider any anomalies that may exist within the region and how the methodology can properly address these situations.

Ms. Bucknum, Orange County, requested an additional fourth public hearing for Orange County and also requested to make some technical comments on the proposed RHNA methodology. She also proposed the idea of receiving the next agenda packet a full week before the next Subcommittee meeting in order to have adequate time to review all material and also requested information about how the three different methodology options would look when applied to each Subcommittee member's jurisdiction. This request was seconded by Hon. Finlay. Kome Ajise, Executive Director of SCAG, referenced a regional determination number that could be used for jurisdiction examples that exists in the previous methodology packet that would be easier to incorporate.

Paavo Monkkonen, Academia Ex-Officio Member representing UCLA, felt that providing these methodology option examples based on jurisdiction would take away from viewing the overall housing problem and developing a solution based on a regional scale. Mr. Monkkonen also felt that though the examples for City A and City B were a good start, more example cities could be added to more properly reflect the various factors that exist throughout jurisdictions within the region. Mr. Monkkonen additionally expressed his concerns particularly with Option 3 and use of local inputs which could hinder meeting the overall objectives of RHNA.

The Honorable Rex Richardson, Los Angeles County, expressed his concerns with jurisdictions being solely concerned with which option for the proposed methodology would produce the least amount of housing units for them and try and push for that one to be selected. Hon. Richardson wished for valuable feedback to be considered after the release of these three options and also seconded Paavo Monkkonen's request for more example cities to give greater perspective on the different factors jurisdictions face throughout the region.

A MOTION was made (President Bill Jahn, San Bernardino County) to approve this agenda item. The MOTION was SECONDED (Primary Member Margaret Finlay, Los Angeles County) and APPROVED by the following votes:

**AYES:** Predmore (Imperial County), Finlay (Los Angeles County), Bucknum (Orange County), Betts (Riverside County), Jahn (San Bernardino County), Ramirez (Ventura County) (6).

**NOES:** None (0).

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**ABSTAIN:** None (0).

**CHAIR'S REPORT**

Chair Peggy Huang announced that the RHNA Subcommittee meeting scheduled for August 5, 2019 would be cancelled but that there would be a special meeting for the Subcommittee to meet after the public comment period.

**STAFF REPORT**

**ANNOUNCEMENT/S**

Ma'Ayn Johnson, SCAG Staff, noted that more notice for the RHNA public hearings would be available after confirmation of venues and times to accommodate those who wish to attend. Ms. Johnson also gave a reminder about the RHNA 101 Webinar scheduled for Monday July 29, 2019.

**ADJOURNMENT**

There being no further business, Chair Peggy Huang adjourned the meeting at 12:05 PM.

The next regular meeting of the RHNA Subcommittee is scheduled for Monday, October 7, 2019 from 10:00 AM to 12:00 PM at the Wilshire Grand Center, 900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017.



Meeting	Proposed Date*	Subject	Action
1	October 29, 2018	Overview of RHNA process and legislation; RHNA work plan and schedule; notification to HCD and Caltrans of RTP/SCS adoption date; discussion on housing topics	
2	December 3, 2018	Subregional delegation guidelines; best practices for housing implementation; introduction to the regional determination process; recommend Subcommittee charter	Recommend Subcommittee charter
3	February 4, 2019	Regional determination process; local input process update; local planning factor/affirmatively furthering fair housing and replacement need survey discussion; recommend subregional delegation guidelines	Recommend subregional delegation guidelines to CEHD
4	March 4, 2019	Regional determination process (continued); finalize local planning factor/affirmatively furthering fair housing and replacement need survey; discussion on social equity adjustment	Release local planning factor/affirmatively furthering fair housing and replacement need survey to local jurisdictions and subregions
5	April 1, 2019	Election of Subcommittee Vice Chair; update from HCD; discussion on RHNA distribution and social equity adjustment (continued)	
6	May 6, 2019	Regional determination process (continued); discussion on RHNA distribution and social equity adjustment (continued)	Recommend to CEHD Regional Determination consultation package with HCD
7	June 3, 2019	Updated regional determination packet; discussion on determining existing and projected RHNA need and social equity in RHNA methodology	Recommend to CEHD Regional Determination consultation package with HCD
8	July 22, 2019	Proposed RHNA methodology options	Recommend proposed RHNA Methodology Options to CEHD for public comment period
	August 2019	Public Hearing(s) on Proposed RHNA Methodology Options (public comment period August 1 – September 13, 2019)	
	August 15, 2019	Proposed RHNA Methodology Options Public Hearing (6-8pm): Los Angeles	
	August 20, 2019	Proposed RHNA Methodology Options Public Hearing (1-3pm): Los Angeles	
	August 22, 2019	Proposed RHNA Methodology Options Public Hearing (1-3pm): Orange County	
	August 27, 2019	Proposed RHNA Methodology Options Public Hearing (6-8pm): Inland Empire	
	August 29, 2019	Proposed RHNA Methodology Options Public Information Session (1-3pm): Santa Clarita	
	September 25, 2019	Public Information Session on Draft RHNA Methodology	
9	October 7, 2019	Review comments received on proposed RHNA methodology	Recommend to CEHD to submit draft methodology to HCD
10	January 2020	Review comments from HCD on draft RHNA methodology; RHNA appeals process guidelines	Recommend RHNA methodology adoption to CEHD; adopt RHNA appeals process guidelines
11	February 2020	Recommend distribution of draft RHNA allocation	Recommend distribution of draft RHNA allocation to CEHD
12	July 2020	Hearing on appeals	Determine appeals
13	July 2020	Review and ratify the decisions on appeals	Issue written decisions regarding appeals
14	August 2020	Final meeting	Recommend to CEHD proposed Final RHNA Allocation Plan

\*Meetings of the RHNA Subcommittee are held on the first Monday of the month, unless otherwise noted.

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## AGENDA ITEM 3

Written Comments Received on the 6th Cycle RHNA (as of 9/27/19)

Date of Letter	Organization	Name	Topic(s)
10/11/2018	City of Beverly Hills	Hon. John Mirisch	Subcommittee membership
12/2/2018	City of Mission Viejo	Gail Shiomoto-Lohr	Subcommittee charter, subregional delegation, growth forecast
1/17/2019	City of Beverly Hills	Hon. John Mirisch	Urban sprawl
2/4/2019	City of Beverly Hills	Hon. John Mirisch	Role of housing supply, single family homes, subcommittee membership
3/11/2019	City of Beverly Hills	Hon. John Mirisch	Subcommittee membership, upzoning, single family homes
3/30/2019	City of Beverly Hills	Hon. John Mirisch	Upzoning, urbanism, density
5/2/2019	Central Cities Association of Los Angeles	Jessica Lall	Regional Determination
5/6/2019	City of Irvine	Marika Poynter	Regional determination, existing need distribution, social equity adjustment
5/20/2010	City of Redondo Beach	Sean Scully	Existing housing need and zoning
5/23/2019	UCLA Luskin School of Public Affairs	Paavo Monkkonen	Zoning, housing prices, and regulation
5/28/2019	Orange County Council of Governments (OCCOG)	Hon. Stacy Berry	Regional determination consultation package
5/29/2019	City of Anaheim	Chris Zapata	Regional determination consultation package
5/31/2019	City of Yorba Linda	David Brantley	Regional determination consultation package
6/1/2019	City of Mission Viejo		Regional determination consultation package; distribution methodology
6/3/2019	City of Newport Beach	Seimone Jurjis	Regional determination consultation package
6/3/2019	UCLA	Paavo Monkkonen	Regional determination consultation package
6/4/2019	City of Tustin	Elizabeth Binsack	Regional determination consultation package
6/4/2019		Henry Fung	Public outreach and engagement; regional determination consultation package
6/5/2019		Hunter Owens	Regional determination consultation package
6/5/2019	City of Santa Ana	Kristine Ridge	Regional determination consultation package
6/5/2019	City of Newport Beach	Seimone Jurjis	Regional determination consultation package
6/5/2019	City of Calabasas	Mayor David Shapiro	RHNA methodology
6/5/2019		Vyki Englert	Regional determination consultation package
6/5/2019		Juan Lopez	Regional determination consultation package
6/5/2019		Louis Mirante	Regional determination consultation package
6/5/2019		Carter Rubin	Regional determination consultation package
6/6/2019		Hon. Meghan Sahli-Wells, City of Culver City	Regional determination consultation package
6/5/2019		Andy Freeland	Regional determination consultation package
6/5/2019		Eve Bachrach	Regional determination consultation package
6/6/2019		Emily Groendyke	Regional determination consultation package
6/6/2019		Timothy Hayes	Regional determination consultation package
6/6/2019		Carter Moon	Regional determination consultation package
6/6/2019		Jesse Lerner-Kinglake	Regional determination consultation package
6/6/2019		Alex Fisch	Regional determination consultation package
6/6/2019		Jed Lowenthal	Regional determination consultation package
6/6/2019	City of Moorpark	Karen Vaughn	Proposed RHNA Methodology
6/6/2019	City of La Habra	Jim Gomez	Regional determination package
6/6/2019	County of Orange	Supervisor Donald Wagner	Regional determination package
6/18/2019		Thomas Glaz	Proposed RHNA methodology
6/18/2019		Brendan Regulinski	Proposed RHNA methodology
6/18/2019		Chris Palencia	Proposed RHNA methodology

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Date of Letter	Organization	Name	Topic(s)
6/19/2019		Henry Fung	Action on regional determination; proposed RHNA methodology; public hearing and outreach process
6/21/2019		Glenn Egelko	Subcommittee member remarks
6/22/2019		Donna Smith	Proposed RHNA methodology
6/24/2019		Fred Zimmerman	Regional determination package
6/24/2019		Antoine Wakim	Regional determination package
6/24/2019		Darrell Clarke	Regional determination package
6/24/2019		Marcos Rodriguez Maciel	Regional determination package
6/24/2019		Taylor Hallam	Regional determination package
6/24/2019		Phil Lord	Regional determination package
6/24/2019		Edwin Woll	Regional determination package
6/24/2019		Steven Guerry	Regional determination package
6/24/2019		Prabhu Reddy	Regional determination package
6/24/2019		Judd Schoenholtz	Regional determination package
6/24/2019		Bret Contreras	Regional determination package
6/24/2019		Mark Montiel	Regional determination package
6/24/2019		Hardy Wronske	Regional determination package
6/24/2019		William Wright	Regional determination package
6/24/2019		Nicholas Burns III	Regional determination package
6/24/2019		Brendan Regulinski	Regional determination package
6/24/2019		Gabe Rose	Regional determination package
6/24/2019		Sean McKenna	Regional determination package
6/24/2019		Lolita Nurmamade	Regional determination package
6/24/2019		Paul Moorman	Regional determination package
6/24/2019		Ryan Welch	Regional determination package
6/24/2019		Gerald Lam	Regional determination package
6/24/2019		Carol Gordon	Regional determination package
6/24/2019		Anthony Dedousis	Regional determination package
6/24/2019		Christopher Cooper	Regional determination package
6/24/2019		Colin Frederick	Regional determination package
6/24/2019		Joe Goldman	Regional determination package
6/24/2019		David Douglass-Jaimes	Regional determination package
6/24/2019		Liz Barillas	Regional determination package
6/24/2019		Andy Freeland	Regional determination package
6/24/2019		Grayson Peters	Regional determination package
6/24/2019		Andrew Oliver	Regional determination package
6/24/2019		Kyle Jenkins	Regional determination package
6/24/2019		Matthew Ruscigno	Regional determination package
6/24/2019		Amar Billoo	Regional determination package
6/24/2019		Joshua Blumenkopf	Regional determination package
6/24/2019		Leonora Camner	Regional determination package
6/24/2019		Ryan Tanaka	Regional determination package
6/24/2019		Partho Kalyani	Regional determination package
6/24/2019		Victoria Englert	Regional determination package
6/24/2019		Josh Albrektson	Regional determination package

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Date of Letter	Organization	Name	Topic(s)
6/24/2019		Matt Stauffer	Regional determination package
6/24/2019		Brooks Dunn	Regional determination package
6/24/2019		Nancy Barba	Regional determination package
6/24/2019		Sandra Madera	Regional determination package
6/25/2019		Gregory Dina	Regional determination package
6/25/2019		Brent Gaisford	Regional determination package
6/25/2019		Andrew Kerr	Regional determination package
6/25/2019		Hunter Owens	Regional determination package
6/25/2019		Alexander Murray	Regional determination package
6/25/2019		Eric Hayes	Regional determination package
6/25/2019		Brent Stoll	Regional determination package
6/25/2019		Matthew Dixon	Regional determination package
6/25/2019		Mark Yetter	Regional determination package
6/25/2019		Chase Engelhardt	Regional determination package
6/25/2019		Hugh Martinez	Regional determination package
6/25/2019		Christopher Palencia	Regional determination package
6/25/2019		Nathan Pope	Regional determination package
6/25/2019		Lauren Borchard	Regional determination package
6/25/2019		Shane Philips	Regional determination package
6/25/2019		Alexander Naylor	Regional determination package
6/25/2019		Andy May	Regional determination package
6/25/2019		Jon Dearing	Regional determination package
6/25/2019		David Barboza	Regional determination package
6/26/2019		Sofia Tablada	Regional determination package
6/26/2019		Amanda Wilson	Regional determination package
6/26/2019		Mike Bettinardi	Regional determination package
6/26/2019		Emily Skehan	Regional determination package
6/26/2019	City of Long Beach	Patrick West	Proposed RHNA methodology
6/27/2019		Jesse Silva	Regional determination package
6/27/2019		Ryan Rubin	Regional determination package
6/27/2019	City of Garden Grove	Mayor Steve Jones	Regional determination package; proposed RHNA methodology
6/27/2019	County of Los Angeles	Amy Bodek	Proposed RHNA methodology
6/28/2019		Maggie Rattay	Regional determination package
6/28/2019		Brittney Hojo	Regional determination package
6/28/2019		Thomas Irwin	Regional determination package
6/28/2019		Steph Pavon	Regional determination package
7/3/2019		Tyler Lindberg	Regional determination package
7/3/2019		Ji Son	Regional determination package
7/3/2019		David Kitani	Regional determination package
7/3/2019		Chase Andre	Regional determination package
7/3/2019		Taily Pulido	Regional determination package
7/5/2019		Stephanie Palencia	Regional determination package
7/6/2019		Charlie Stigler	Regional determination package
7/8/2019		Chris Rattay	Regional determination package
7/9/2019		Holly Osborne	Proposed RHNA Methodology

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Date of Letter	Organization	Name	Topic(s)
7/9/2019	City of Ojai	James Vega	Proposed RHNA Methodology
7/10/2019	City of South Gate	Joe Perez	Proposed RHNA Methodology
7/11/2019	City of Malibu	Reva Feldman	Proposed RHNA Methodology
7/16/2019	City of Los Angeles, 15 <sup>th</sup> District	Aksel Palacios	Affordable Housing Solutions
7/17/2019	City of Culver City	Mayor Meghan Sahli-Wells	Regional Determination
7/18/2019	League of Women Voters of Los Angeles	Sandra Trutt	Zoning and Homelessness
7/18/2019	County of Riverside	Juan Perez	Proposed RHNA allocation
7/19/2019	League of Women Voters of Los Angeles County	Marge Nichols	Regional Determination
7/20/2019		Therese Mufic Neustaedter	Regional Determination
7/23/2019	County of Ventura – Board of Supervisors	Steve Bennett	Proposed RHNA Methodology
7/25/2019		Jose Palencia	Regional Determination
7/27/2019		Henry Fung	Proposed RHNA Methodology
7/29/2019		Paavo Monkkonen	Proposed RHNA Methodology
7/29/2019		Paavo Monkkonen	Proposed RHNA Methodology
7/29/2019	Endangered Habitats League	Dan Silver	Proposed RHNA methodology
7/31/2019	League of Women Voters Los Angeles County	Marge Nichols	Regional Determination; Proposed RHNA Methodology
7/31/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology
7/31/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology
7/31/2019		Assm. Richard Bloom	Proposed RHNA Methodology
8/1/2019	League of Women Voters Santa Monica	Natalya Zernitskaya	Proposed RHNA Methodology
8/1/2019	City of Malibu	Bonnie Blue	Proposed RHNA Methodology; SB 182
8/1/2019	People for Housing OC	Elizabeth Hansburg	Regional Determination
8/1/2019	City of Big Bear Lake	Jeff Matthieu	Proposed RHNA Methodology
8/2/2019		Donna Smith	?
8/4/2019		Gary Drucker	Proposed RHNA Methodology
8/5/2019		Valerie Fontaine	Proposed RHNA Methodology
8/5/2019		Jay Ross	Proposed RHNA Methodology
8/7/2019		Miriam Cantor	Proposed RHNA Methodology
8/8/2019		Jonathan Baty	Population growth
8/12/2019		City of Yucaipa	Proposed RHNA methodology
8/12/2019		Paul Lundquist	?
8/12/2019		Leonora Camner	Proposed RHNA Methodology
8/12/2019		Ryan Tanaka	Proposed RHNA Methodology
8/12/2019		Jesse Silva	Proposed RHNA Methodology
8/12/2019		Joshua Gray-Emmer	Proposed RHNA Methodology
8/12/2019		Chase Engelhardt	Proposed RHNA Methodology
8/12/2019		Drew Heckathorn	Proposed RHNA Methodology
8/12/2019		Liz Barillas	Proposed RHNA Methodology
8/12/2019		Jonah Bliss	Proposed RHNA Methodology
8/12/2019		Angus Beverly	Proposed RHNA Methodology
8/12/2019		Gregory Dina	Proposed RHNA Methodology
8/12/2019		Eduardo Mendoza	Proposed RHNA Methodology
8/12/2019		Carol Gordon	Proposed RHNA Methodology

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8/12/2019		Joanne Leavitt	Proposed RHNA Methodology
8/12/2019		Mark Yetter	Proposed RHNA Methodology
8/12/2019		Meredith Jung	Proposed RHNA Methodology
8/12/2019		Nicholas Burns III	Proposed RHNA Methodology
8/12/2019		Judd Scoenholtz	Proposed RHNA Methodology
8/12/2019		Lee Benson	Proposed RHNA Methodology
8/12/2019		Kate Poisson	Proposed RHNA Methodology
8/12/2019		Joshua Blumenkopf	Proposed RHNA Methodology
8/12/2019		Anthony Dedousis	Proposed RHNA Methodology
8/12/2019		Christopher Tausanovitch	Proposed RHNA Methodology
8/12/2019		Emerson Dameron	Proposed RHNA Methodology
8/12/2019		Grayson Peters	Proposed RHNA Methodology
8/12/2019		Tami Kagan-Abrams	Proposed RHNA Methodology
8/12/2019		Lauren Borchard	Proposed RHNA Methodology
8/12/2019		Alec Mitchell	Proposed RHNA Methodology
8/12/2019		Andy Freeland	Proposed RHNA Methodology
8/12/2019		Michelle Castelletto	Proposed RHNA Methodology
8/12/2019		Brent Gaisford	Proposed RHNA Methodology
8/12/2019		Rebecca Muli	Proposed RHNA Methodology
8/12/2019		Ryan Welch	Proposed RHNA Methodology
8/12/2019		Prabhu Reddy	Proposed RHNA Methodology
8/12/2019		Matthew Dixon	Proposed RHNA Methodology
8/12/2019		Richard Hofmeister	Proposed RHNA Methodology
8/12/2019		David Barboza	Proposed RHNA Methodology
8/12/2019		Michael Drowsky	Proposed RHNA Methodology
8/12/2019		Allison Wong	Proposed RHNA Methodology
8/13/2019		Justin Jones	Proposed RHNA Methodology
8/13/2019		Yurhe Lim	Proposed RHNA Methodology
8/13/2019		Ryan Koyanagi	Proposed RHNA Methodology
8/13/2019		William Wright	Proposed RHNA Methodology
8/13/2019		Norma Guzman	Proposed RHNA Methodology
8/13/2019		Mary Vaiden	Proposed RHNA Methodology
8/13/2019		Andy May	Proposed RHNA Methodology
8/13/2019		Gerald Lam	Proposed RHNA Methodology
8/13/2019		Kelly Koldus	Proposed RHNA Methodology
8/13/2019		Thomas Irwin	Proposed RHNA Methodology
8/14/2019		Susan Decker	Proposed RHNA Methodology
8/14/2019		Michael Busse	Proposed RHNA Methodology
8/14/2019		Rosa Flores	Proposed RHNA Methodology
8/14/2019		Pedro Juarez	Proposed RHNA Methodology
8/14/2019		Zennon Ulyate-Crow	Proposed RHNA Methodology
8/16/2019		Ron Javorsky	
8/16/2019	County of Riverside	Robert Flores	RHNA Public Outreach
8/17/2019		Marianne Buchanan	
8/17/2019		Carolyn Byrnes	Other

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Date of Letter	Organization	Name	Topic(s)
8/17/2019		Sharon Wilkins	
8/17/2019		Natalya Zernitskaya	Proposed RHNA Methodology
8/19/2019		Kawauna Reed	
		Manuel Chavez (Costa Mesa Councilmember, District 4)	
		Cassius Rutherford (Parks Commissioner, Costa Mesa)	
8/19/2019		Chris Gaarder (Planning Commission Chair, Fullerton)	Proposed RHNA Methodology
		Brandon Whalen-Castellanos (Transportation Commission Chair, Fullerton)	
		Luis Aleman (Parks Commission, Santa Ana)	
8/19/2019		Theopilis Hester	Proposed RHNA Methodology
8/20/2019	City of Santa Monica	Rick Cole	Proposed RHNA Methodology
8/20/2019	City of Rancho Palos Verdes	Octavio Silva	Proposed RHNA Methodology
8/20/2019	City of Yorba Linda	Mayor Tara Campbell	Proposed RHNA Methodology
8/22/2019	City of Redondo Beach	Mayor William Brand	Proposed RHNA Methodology
8/22/2019	Orange County Council of Governments (OCCOG)	Marnie O. Primmer	Proposed RHNA Methodology
8/23/2019		Bruce Szekes	Public Outreach
8/23/2019	Center for Demographic Research		Proposed RHNA Methodology
8/23/2019		Laura Smith	Housing Distribution
8/23/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology
8/24/2019		Sharon Commins	Proposed RHNA Methodology
8/26/2019	City of El Segundo		Proposed RHNA Methodology
8/26/2019		Sean McKenna	Proposed RHNA Methodology
8/26/2019		Mark Chenevey	Proposed RHNA Methodology
8/26/2019		Derek Ryder	Proposed RHNA Methodology
8/26/2019	City of Long Beach	Patrick West	Proposed RHNA Methodology
8/27/2019	City of Mission Viejo	Elaine Lister	Proposed RHNA Methodology data correction
8/27/2019		Shawn Danino	Proposed RHNA Methodology
8/27/2019		Jeffery Alvarez	Proposed RHNA Methodology
8/27/2019		Claudia Vu	Proposed RHNA Methodology
8/27/2019		Laila Delgado	Proposed RHNA Methodology
8/27/2019		Madeline Swim	Proposed RHNA Methodology
8/27/2019		Nicholas Paganini	Proposed RHNA Methodology
8/27/2019		David Aldama	Proposed RHNA Methodology
8/27/2019		Hannah Winnie	Proposed RHNA Methodology
8/27/2019		Akif Khan	Proposed RHNA Methodology
8/27/2019		Gianna Lum	Proposed RHNA Methodology
8/27/2019		Bradley Ewing	Proposed RHNA Methodology
8/27/2019		Anne Martin	Proposed RHNA Methodology
8/27/2019		Mylen Walker	Proposed RHNA Methodology



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8/27/2019		Verity Freebern	Proposed RHNA Methodology
8/27/2019		Ryan Oillataguerre	Proposed RHNA Methodology
8/27/2019		Emma Desopo	Proposed RHNA Methodology
8/27/2019		Elyssa Medina	Proposed RHNA Methodology
8/27/2019		Judith Trujillo	Proposed RHNA Methodology
8/27/2019		Kenia Agaton	Proposed RHNA Methodology
8/27/2019	OC Business Council	Alicia Berhow	Proposed RHNA Methodology
8/27/2019	Palms Neighborhood Council	Eryn Block	Proposed RHNA Methodology
8/27/2019	County of Riverside	Juan Perez	Proposed RHNA Methodology
8/28/2019		Sophia Parmisano	Proposed RHNA Methodology
8/28/2019		Anthony Castelletto	Proposed RHNA Methodology
8/28/2019		Minh Le	Proposed RHNA Methodology
8/28/2019		Carol Luong	Proposed RHNA Methodology
8/28/2019		Chitra Patel	Proposed RHNA Methodology
8/28/2019		Misha Ponnuraju	Proposed RHNA Methodology
8/27/2019		Griffin McDaniel	Proposed RHNA Methodology
8/28/2019		Lauren Walker	Proposed RHNA Methodology
8/28/2019		Robert Flores	Proposed RHNA Methodology
8/28/2019		Hailey Maxwell	Proposed RHNA Methodology
8/28/2019		Carey Kayser	Proposed RHNA Methodology
8/28/2019		Annie Bickerton	Proposed RHNA Methodology
8/29/2019	City of Norco	Steve King	Proposed RHNA Methodology
8/29/2019	City of Signal Hill	Mayor Lori Wood	Proposed RHNA Methodology
8/29/2019	SCANPH	Francisco Martinez	Proposed RHNA Methodology
8/29/2019		Ross Heckmann	Proposed RHNA Methodology
8/30/2019		Dottie Alexanian	Proposed RHNA Methodology
8/30/2019		Judith Deutsch	Proposed RHNA Methodology
8/30/2019	City of Tustin	Elizabeth Binsack	Proposed RHNA Methodology
8/30/2019	City of Menifee	Cheryl Kitzerow	Proposed RHNA Methodology
8/31/2019		Paavo Monkkonen	Proposed RHNA Methodology
8/31/2019		Paavo Monkkonen and 27 professors	Proposed RHNA Methodology
8/31/2019		Ryan Kelly	Proposed RHNA Methodology
8/31/2019		Hydee Feldstein	Proposed RHNA Methodology
8/31/2019		Alex Ivina	Proposed RHNA Methodology
8/31/2019		Steve Rogers	Proposed RHNA Methodology
8/31/2019		Phil Davis	Proposed RHNA Methodology
8/31/2019		Kathy Hersh	Proposed RHNA Methodology
9/1/2019		Jane Demian	Proposed RHNA Methodology
9/1/2019		Diana Stiller	Proposed RHNA Methodology
9/1/2019		Paula Bourges	Proposed RHNA Methodology
9/1/2019		Raymond Goldstone	Proposed RHNA Methodology
9/1/2019		Christopher Palencia	Proposed RHNA Methodology
9/2/2019		Doris Roach	Proposed RHNA Methodology
9/3/2019		Judy Saunders	Proposed RHNA Methodology
9/3/2019		Susan Ashbrook	Proposed RHNA Methodology

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9/3/2019		Marcelo & Irene Olavarria	Proposed RHNA Methodology
9/3/2019		Margret Healy	Proposed RHNA Methodology
9/3/2019		Genie Saffren	Proposed RHNA Methodology
9/3/2019	City of Rancho Santa Margarita	Cheryl Kuta	Proposed RHNA Methodology
9/3/2019	City of Desert Hot Springs	Rebecca Deming	Proposed RHNA Methodology
9/3/2019		Karen Boyarsky	Regional Determination
9/3/2019		Nancee L.	Proposed RHNA Methodology
9/3/2019		Tracy St. Claire	Regional Determination
9/4/2019		Shelly Carlo	Housing Distribution
9/4/2019		Bill Zimmerman	Proposed RHNA Methodology
9/4/2019		Mark Vallianatos	Proposed RHNA Methodology
9/4/2019		Marilyn Frost	Housing Distribution
9/4/2019		Matthew Stevens	Proposed RHNA Methodology
9/4/2019		Georgianne Cowan	Regional Determination
9/4/2019		Lisa Schecter	Regional Determination
9/4/2019		Carol Watkins	Regional Determination
9/4/2019		Mark Robbins	Regional Determination
9/4/2019		Susan Horn	Regional Determination
9/4/2019		Barbara Broide	Regional Determination
9/4/2019		Joseph Sherwood	Regional Determination
9/4/2019		Linda Sherwood	Regional Determination
9/4/2019		Darren Swimmer	Regional Determination
9/4/2019		Lee Zeldin	Regional Determination
9/4/2019		Nancy Rae Stone	Regional Determination
9/4/2019		Rachael Gordon	Regional Determination
9/4/2019		Martha Singer	Regional Determination
9/4/2019		Laurie Balustein	Regional Determination
9/4/2019		Henry Fung	Regional Determination
9/4/2019		Brad Pennington	Regional Determination
9/4/2019		Mike Javadi	Regional Determination
9/4/2019		Lauren Thomas	Regional Determination
9/4/2019		Keith Solomon	Regional Determination
9/4/2019		Linda Blank	Regional Determination
9/4/2019		Valerie Brucker	Regional Determination
9/4/2019		Craig Rich	Regional Determination
9/4/2019		Wansun Song	Regional Determination
9/4/2019		Robert Seligman	Regional Determination
9/4/2019	City of Newport Beach	Seimone Jurjis	Regional Determination
9/4/2019	City of Calabasas	Mayor David Shapiro	Regional Determination
9/4/2019		Paul Soroudi	Regional Determination
9/4/2019		Terrence Gomes	Regional Determination
9/4/2019		Kimberly Fox	Regional Determination
9/4/2019		Mra Tun	Regional Determination
9/4/2019		Laura Levine Lacter	Regional Determination
9/4/2019		Stephen Resnick	Regional Determination

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Date of Letter	Organization	Name	Topic(s)
9/4/2019		Kimberly Christensen	Regional Determination
9/4/2019		Rita Villa	Regional Determination
9/4/2019	City of San Clemente	James Makshanoff	Proposed RHNA Methodology
9/4/2019	City of Beaumont	Julio Martinez	Proposed RHNA Methodology
9/4/2019	City of Hawthorne	Arnold Shadbeh	Proposed RHNA Methodology
9/5/2019		Hunter Owens	Proposed RHNA Methodology
9/5/2019		Stephen Twining	Regional Determination
9/5/2019		Paul Callinan	Regional Determination
9/5/2019		C. McAlpin	Regional Determination
9/5/2019		Isabel Janken	Regional Determination
9/5/2019		Ann Hayman	Regional Determination
9/5/2019		Meg Sullivan	Housing Production
9/5/2019	City of Moreno Valley	Patty Nevins	Proposed RHNA Methodology
9/5/2019		Massy Mortazavi	Regional Determination
9/5/2019		Fred Golan	Regional Determination
9/5/2019		Debbie & Howard Nussbaum	Regional Determination
9/5/2019		Devony Hastings	Regional Determination
9/5/2019	League of Women Voters of Los Angeles County	Marge Nichols	RHNA Methodology
9/5/2019		Larry Blugrind	Housing Distribution
9/5/2019		Terry Tegnazian	Regional Determination
9/5/2019	Gateway Cities Council of Governments (GCCOG)	M. Diane DuBois	RHNA Methodology
9/5/2019		Denson Fujikawa	Other
9/5/2019		Tracy Fitzgerald	Regional Determination
9/5/2019	City of Pomona	Anita Gutierrez	Proposed RHNA Methodology
9/5/2019		Minhlinh Nguyen	Regional Determination
9/5/2019		Anita Gutierrez	Proposed RHNA Methodology
9/5/2019	City of Fountain Valley	Steve Nagel	Proposed RHNA Methodology
9/5/2019	City of Camarillo	Kevin Kildee	Proposed RHNA Methodology
9/5/2019		Denson Fujikawa	Other
9/6/2019	City of Sierra Madre	Gabriel Engeland	Proposed RHNA Methodology
9/6/2019	City of Laguna Hills	Donald White	Proposed RHNA Methodology
9/6/2019		David Oliver	Regional Determination
9/6/2019	City of Chino Hills	Joann Lombardo	Proposed RHNA Methodology
9/7/2019		David Ting	Regional Determination
9/9/2019	City of Azusa	Sergio Gonzalez	Proposed RHNA Methodology
9/9/2019	City of Alhambra	Jessica Binnquist	Proposed RHNA Methodology
9/9/2019	Los Angeles Chamber of Commerce	Maria Salinas	RHNA Methodology
9/9/2019	City of Ranchos Palos Verdes	Octavio Silva	Proposed RHNA Methodology
9/9/2019		Kathy Whooley	Regional Determination
9/9/2019	San Gabriel Valley Council of Governments (SGVCOG)	Cynthia Sternquist	Proposed RHNA Methodology
9/9/2019		Matthew Hinsley	Regional Determination
9/9/2019	City of Agoura Hills	Greg Ramirez	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Laura Emdee	Regional Determination
9/10/2019		Jessica Sandoval	Proposed RHNA Methodology

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Date of Letter	Organization	Name	Topic(s)
9/10/2019	City of Redondo Beach	Bill Brand	Proposed RHNA Methodology
9/10/2019		Yesenia Medina	Regional Determination
9/10/2019		Jeannette Mazul	Regional Determination
9/10/2019		Jocelyne Irineo	Proposed RHNA Methodology
9/10/2019		Cristina Resendez	Proposed RHNA Methodology
9/10/2019		Carla Bucio	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Bill Brand	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Laura Emdee	Proposed RHNA Methodology
9/10/2019	City of Garden Grove	Steve Jones	Proposed RHNA Methodology
9/10/2019		Henry Fung	Overall RHNA Process
9/10/2019	City of San Marino	Aldo Cervantes	Proposed RHNA Methodology
9/10/2019	City of South Gate	Jorge Morales	Proposed RHNA Methodology
9/10/2019	City of Torrance	Patrick Furey	Proposed RHNA Methodology
9/10/2019	City of Rancho Cucamonga	John Gillison	Proposed RHNA Methodology
9/10/2019		Jeannette Mazul	Affordable Housing
9/11/2019	City of South Pasadena	Stephanie DeWolfe	Proposed RHNA Methodology
9/11/2019	City of Glendora	Jeff Kugel	Proposed RHNA Methodology
9/11/2019	City of Ojai	John F. Johnson	Proposed RHNA Methodology
9/11/2019	City of Oxnard	Tim Flynn	Proposed RHNA Methodology
9/11/2019	City of Westlake Village	Ned E. Davis	Proposed RHNA Methodology
9/11/2019	City of Cerritos	Art Gallucci	Proposed RHNA Methodology
9/11/2019	City of Hemet	Christopher Lopez	Proposed RHNA Methodology
9/11/2019	City of La Palma	Laurie Murray	Proposed RHNA Methodology
9/11/2019	City of Bell	Ali Saleh	Proposed RHNA Methodology
9/11/2019		Karen Rivera	Regional Determination
9/11/2019		David Coffin	Regional Determination
9/12/2019	City of Lomita	Alicia Velasco	Proposed RHNA Methodology
9/12/2019	City of Wildomar	Matthew Bassi	Proposed RHNA Methodology
9/12/2019	City of Aliso Viejo	David Doyle	Proposed RHNA Methodology
9/12/2019	City of Commerce	Vilko Domic	Proposed RHNA Methodology
9/12/2019	City of El Monte	Betty Donavanik	Proposed RHNA Methodology
9/12/2019	South Bay Cities Council of Governments (SBCCOG)	Christian Horvath	Proposed RHNA Methodology
9/12/2019	City of Huntington Beach	Dave Kiff	Proposed RHNA Methodology
9/12/2019	City of Rosemead	Gloria Molleda	Proposed RHNA Methodology
9/12/2019	City of Dana Point	Matt Schneider	Proposed RHNA Methodology
9/12/2019	City of Placentia	Rhonda Shader	Proposed RHNA Methodology
9/12/2019	City of Palos Verdes Estates	Carolynn Petru	Proposed RHNA Methodology
9/12/2019	City of Palmdale	Mark Oyler	Proposed RHNA Methodology
9/12/2019	City of Hawthorne	Alejandro Vargas	Proposed RHNA Methodology
9/12/2019	City of Irvine	Christina L. Shea	Proposed RHNA Methodology
9/12/2019	City of Walnut	Rob Wishner	Proposed RHNA Methodology
9/12/2019	City of Maywood	Jennifer Vasquez	Proposed RHNA Methodology
9/12/2019	City of Culver City	Meghan Sahli-Wells	Proposed RHNA Methodology
9/12/2019	City of Buena Park	Joel Rosen	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 9/27/19)

Date of Letter	Organization	Name	Topic(s)
9/12/2019	City of Santa Clarita	Thomas Cole	Proposed RHNA Methodology
9/12/2019	City of Temecula	Luke Watson	Proposed RHNA Methodology
9/12/2019	City of Lake Elsinore	Richard MacHott	Proposed RHNA Methodology
9/12/2019	City of San Dimas	Ken Duran	Proposed RHNA Methodology
9/12/2019	City of Irwindale	William Tam	Proposed RHNA Methodology
9/12/2019	City of Santa Ana	Kristine Ridge	Proposed RHNA Methodology
9/12/2019	City of La Mirada	Jeff Boynton	Proposed RHNA Methodology
9/12/2019	City of Anaheim	Chris Zapata	Proposed RHNA Methodology
9/12/2019	City of Costa Mesa	Lori Ann Farrell Harrison	Proposed RHNA Methodology
9/12/2019	City of Huntington Park	Sergio Infanzon	Proposed RHNA Methodology
9/12/2019	City of Eastvale	Bryan Jones	Proposed RHNA Methodology
9/12/2019		John Birkett	Regional Determination
9/12/2019		Lourdes Petersen	Regional Determination
9/12/2019		Jesse Silva	Proposed RHNA Methodology
9/12/2019		Anne Hilborn	Proposed RHNA Methodology
9/12/2019		Henry Fung	Proposed RHNA Methodology
9/13/2019		Holly Osborne	Proposed RHNA Methodology
9/13/2019		Niall Huffman	Proposed RHNA Methodology
9/13/2019		Michael Hoskinson	Proposed RHNA Methodology
9/13/2019	San Bernardino County Transportation Authority/Council of Governments (SBCTA/SBCOG)	Darcy McNaboe	Proposed RHNA Methodology
9/13/2019	City of Downey	Aldo Schindler	Proposed RHNA Methodology
9/13/2019	City of Bellflower	Elizabeth Corpuz	Proposed RHNA Methodology
9/13/2019	City of Lakewood	Abel Avalos	Proposed RHNA Methodology
9/13/2019	City of Orange	Rick Otto	Proposed RHNA Methodology
9/13/2019	City of Paramount	John Carver	Proposed RHNA Methodology
9/13/2019	City of Rolling Hills	Jeff Pieper	Proposed RHNA Methodology
9/13/2019	City of San Fernando	Nick Kimball	Proposed RHNA Methodology
9/13/2019	City of Mission Viejo	Dennis Wilberg	Proposed RHNA Methodology
9/13/2019	City of Moorpark	Karen Vaughn	Proposed RHNA Methodology
9/13/2019	American Planning Association (CA Chapter)	Eric Phillips	Proposed RHNA Methodology
9/13/2019	County of Ventura	David Ward	Proposed RHNA Methodology
9/13/2019	City of Chino	Nicholas Liguori	Proposed RHNA Methodology
9/13/2019	One Step A La Vez	Kate English	Housing Development
9/13/2019	American Planning Association (Los Angeles Section)	Ryan Kurtzman	Proposed RHNA Methodology
9/13/2019	City of Laguna Beach	Scott Drapkin	Proposed RHNA Methodology
9/13/2019	Santa Monicans for Renters' Rights	Patricia Hoffman and Denny Zane	Proposed RHNA Methodology
9/13/2019	Western Riverside Council of Governments (WRCOG)	Rick Bishop	Proposed RHNA Methodology
9/13/2019	City of Los Angeles	Eric Garcetti	Proposed RHNA Methodology
9/13/2019	City of West Hollywood	John D'Amico	Proposed RHNA Methodology
9/13/2019	City of San Juan Capistrano	Joel Rojas	Proposed RHNA Methodology
9/13/2019	City of Thousand Oaks	Mark Towne	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 9/27/19)

Date of Letter	Organization	Name	Topic(s)
9/13/2019	City of Newport Beach	Seimone Jurjis	Proposed RHNA Methodology
9/13/2019	City of Laguna Niguel	Jonathan Orduna	Proposed RHNA Methodology
9/13/2019	County of San Bernardino	Terri Rahhal	Proposed RHNA Methodology
9/13/2019	City of Indio	Kevin Snyder	Proposed RHNA Methodology
9/13/2019	City of Avalon	Anni Marshall	Proposed RHNA Methodology
9/13/2019	City of Burbank	Patrick Prescott	Proposed RHNA Methodology
9/13/2019	City of Santa Monica Housing Commission	Michael Soloff	Proposed RHNA Methodology
9/13/2019	City of Riverside	Jay Eastman	Proposed RHNA Methodology
9/13/2019	City of Whittier	Conal McNamara	Proposed RHNA Methodology
9/13/2019	City of San Gabriel	Arminé Chaparyan	Proposed RHNA Methodology
9/13/2019	City of San Buenaventura (Ventura)	Peter Gilli	Proposed RHNA Methodology
9/13/2019	City of Temple City	Scott Reimers	Proposed RHNA Methodology
9/13/2019	City of Palm Desert	Ryan Stendell	Proposed RHNA Methodology
9/13/2019	City of Monterey Park	Ron Bow	Proposed RHNA Methodology
9/13/2019	LA Thrives Et Al. (19 total organizations)	LA Thrives Et Al. (19 total organizations)	Proposed RHNA Methodology
9/13/2019	Leadership Council for Justice and Accountability Et Al. (7 total organizations)	Leadership Council for Justice and Accountability Et Al. (7 total organizations)	Proposed RHNA Methodology
9/13/2019	Southern California Business Coalition (7 total organizations)	Southern California Business Coalition (7 total organizations)	Proposed RHNA Methodology
9/15/2019		Michelle Schumacher	Other

[All comments are posted online at www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna)



September 18, 2019

Mr. Doug McCauley  
Acting Director  
Housing & Community Development (HCD)  
2020 W. El Camino Ave.  
Sacramento, CA 95833

SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017  
T: (213) 236-1800  
www.scag.ca.gov

Subject: SCAG’s Objection to HCD’s Regional Housing Need Determination

Dear Mr. McCauley,

This letter represents the Southern California Association of Governments (SCAG)’s formal objection to HCD’s Regional Housing Need Determination as submitted to SCAG on August 22, 2019 and is made in accordance with Government Code Section 65584.01(c)(2)(A) and (B). At the outset, please know that SCAG is fully aware that the State of California is in the midst of a housing crisis and that resolving this crisis requires strong partnerships with state, regional and local entities in addition to private and non-profit sectors.

As such, SCAG desires to be an active and constructive partner with the State and HCD on solving our current housing crisis, and this objection should not suggest otherwise. We are in fact currently setting up a housing program that will assist our local jurisdictions on activities and policies that will lead to actual housing unit construction.

In the context of the 6<sup>th</sup> cycle Regional Housing Needs Assessment (RHNA) process, SCAG appreciates the collaboration with HCD as reflected in the numerous consultation sessions on the regional determination and other staff engagement on housing issues with the objective of making RHNA a meaningful step toward addressing our housing crisis.

As you are aware, HCD transmitted its Regional Housing Needs Determination of 1,344,740 units for the SCAG region last month. This number reflects the housing units that local jurisdictions in the region must plan for during the 8-year period from October 2021 to October 2029. At the September 5, 2019 meeting, SCAG Regional Council authorized staff to file an objection to HCD on regional housing need determination pursuant to Government Code Section 65584.01(c).

REGIONAL COUNCIL OFFICERS

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**Bill Jahn, Big Bear Lake**
- First Vice President  
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- Energy & Environment  
**Linda Parks, Ventura County**
- Transportation  
**Cheryl Viegas-Walker, El Centro**

*I would like to note that SCAG's objection focuses on the process and adherence to state housing law requirements and not necessarily to the regional housing need determination number. The ultimate aim of this objection, as discussed at length by the Regional Council, is to ensure the most technically and legally credible basis for a regional determination so that the 197 local jurisdictions in the SCAG region can approach the difficult task of zoning to accommodate regional needs with the backing of the most robust and realistic target that is possible.*

One of our major concerns is that HCD did not base its determination on SCAG's RTP/SCS Growth Forecast, which was inconsistent with Government Code 65584.01(c)(2)(A). Another major concern is that pursuant to Government Code 65584.01(c) (2) (B), HCD's determination of housing need in the SCAG region is not a reasonable application of the methodology and assumptions described in statute. Specifically, HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions as statutorily required. These and two additional basis for objections are described in detail in the section below which also includes a deduction for household growth on tribal land and a concern that the vacancy rate standards used by HCD are not substantiated by data, analysis, or literature. In addition, the attached EXCEL worksheet and technical documentation contain SCAG's alternative proposed 6th cycle RHNA determination, which would consist of a range of total housing unit need between 823,808 and 920,772.

## **BASIS FOR SCAG OBJECTION**

### **Use of SCAG's Population Forecast**

HCD did not base its determination on SCAG's RTP/SCS Growth Forecast, which was provided in the original consultation package and via follow-up email to HCD. Government Code 65584.01(a) indicates [emphasis added]:

*“(a) The department’s determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. **If the total regional population forecast for the projection year, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 1.5 percent of the total regional population forecast for the projection year by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region.** If the difference between the total population projected by the council of governments and the total population projected for the region by the Department of Finance is greater than 1.5 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If no agreement is reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.”*



SCAG projects total regional population to grow to 20,725,878 by October, 2029. SCAG's projection differs from Department of Finance (DOF) projection of 20,689,591, which was issued by DOF in May, 2018, by 0.18%. The total population provided in HCD's determination is 20,455,355, reflecting an updated DOF projection, differs from SCAG's projection by 1.32%. As SCAG's total projection is within the statutory tolerance of 1.5%, accordingly HCD is to use SCAG's population forecast.

While HCD has emphasized that consistency in approach to the 6<sup>th</sup> cycle RHNA across regions is a priority, deference to the Council of Governments' forecast as specified in statute is an important aspect of regional planning. Federal requirements for SCAG's Regional Transportation Plan necessitate a forecast of population, households, and employment for evaluating future land use patterns and measuring future travel demand as well as air quality conformity under the federal Clean Air Act. In addition, under SB 375, the State requires SCAG to develop a Sustainable Communities Strategy which is a coordination of transportation and land use in the regional planning process to achieve State's climate goals. Both federal and State requirements are predicated on SCAG's forecast of population, households and employment.

As a result, SCAG has a long-established and well-respected process for producing a balanced forecast of population, households, and employment for the region, the details of which can be found in each Regional Transportation Plan (e.g. [http://scagrtpscs.net/Documents/2016/final/f2016RTPSCS\\_DemographicsGrowthForecast.pdf](http://scagrtpscs.net/Documents/2016/final/f2016RTPSCS_DemographicsGrowthForecast.pdf)). SCAG's quadrennial growth forecast begins with a consensus on appropriate assumptions of fertility, migration, immigration, household formation, and job growth by a panel of state and regional experts including members of DOF's Demographic Research Unit. In addition, SCAG co-hosts an annual demographic workshop with the University of Southern California to keep state and regional experts and stakeholders apprised of demographic and economic trends (<https://www.scag.ca.gov/calendar/Pages/DemographicWorkshop.aspx>).

SCAG places a high priority on generating its own forecasts of population, households, and employment and ensuring the highest possible degree of consistency and integrity of its projections for transportation, land use, and housing planning purposes.

### **Use of Comparable Regions**

Pursuant to Government Code 65584.01(c)(2)(B), HCD's determination of housing need in the SCAG region is not a reasonable application of the methodology and assumptions described in statute. Specifically, HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions as statutorily required.

SCAG's initial consultation package provided an approach using comparable regions to evaluate household overcrowding. SCAG staff met with HCD staff in-person in both Los Angeles and Sacramento to discuss adjustment criteria and how to define a comparable region to Southern California, as our region's size precludes a straightforward comparison. At the direction of HCD, SCAG staff refined its methodology for identifying comparable regions and provided a state-of-the-practice analysis supported by recent demographic and economic literature which determined

that the most appropriate comparison to the SCAG region would be an evaluation against the San Jose, New York, San Francisco, Miami, Seattle, Chicago, San Diego, Washington D.C., Houston, and Dallas metropolitan areas. Despite this collaboration on the subject between HCD and SCAG, HCD elected to reject this approach and instead used national average statistics, which include small metropolitan areas and rural areas having little in common with Southern California.

HCD's choice to use national averages:

- Is inconsistent with the statutory language of SB 828, which added the comparable region standard to RHNA law in order to improve the technical robustness of measures of housing need.
- Is inconsistent with empirical data as economic and demographic characteristics differ dramatically based on regional size and context. For comparison, the median-sized metropolitan region in the country is Fargo, North Dakota with a population of 207,500. That is not a meaningful basis of comparison for the nation's largest MPO.
- Is inconsistent with HCD's own internal practice for the 6<sup>th</sup> cycle of RHNA. The regional need determination for the Sacramento Area Council of Governments (SACOG), issued on July 18, 2019, was the first 6<sup>th</sup> cycle RHNA determination following SB 828's inclusion of the comparable region standard. During their consultation process with HCD, SACOG also produced a robust technical analysis to identify comparable regions for the purposes of using overcrowding and cost-burden statistics to determine regional housing needs. However, HCD's final determination for SACOG used this analysis while the SCAG region was held to a different and less reasonable standard.

### **Improved Vacancy Rate Comparison**

HCD seemingly uses unrealistic comparison points to evaluate healthy market vacancy, which is also an unreasonable application of the methodology and assumptions described in statute. While SB 828 specifies a vacancy rate for a healthy rental housing market as no less than 5 percent, healthy market vacancy rates for for-sale housing are not specified. HCD's practice is to compare actual, ACS vacancy rates for the region versus a 5 percent total vacancy rate (i.e. owner and renter markets combined).

During the consultation process, SCAG discussed this matter with HCD staff and provided several points of comparison including historical data, planning standards, and comparisons with other regions. In addition, SCAG staff illustrated that given tenure shares in the SCAG region, HCD's suggestion of a 5 percent total vacancy rate is mathematically equivalent to an 8 percent rental market vacancy rate plus a 2.25 percent for-sale housing vacancy rate. However, in major metropolitan regions, vacancy rates this high are rarely experienced outside of severe economic recessions such as the recent, housing market-driven Great Recession. Given the region's current housing shortage, the high volume of vacant units envisioned in HCD's planning target would be rapidly absorbed, making it an unrealistic standard.

SCAG staff's original suggestion of 5 percent rental vacancy and 1.5 percent for-sale vacancy (resulting in a 3.17 percent total vacancy rate based on current tenure shares) is in fact *higher* than the observed rate in the comparable regions defined above. It is also above Federal Housing Authority standards for regions experiencing slow or moderate population growth. It is also above the very liberal standard of 6 percent for for-rent housing and 2 percent for for-sale housing suggested by the California Office of Planning and Research (equivalent to 3.90 percent total vacancy based on SCAG tenure shares) which would also be a more reasonable application of the methodology.<sup>1</sup>

### **Additional Considerations**

In addition to the three key points above, SCAG's proposed alternative includes several other corrections to technical shortcomings in HCD's analysis of regional housing needs.

1. HCD's evaluation of replacement need is based on an arbitrary internal standard of 0.5 percent to 5.0 percent of total housing units. 2010-2019 demolition data provided by DOF suggest that over an 8.25-year period, it is reasonable to expect that 0.14 percent of the region's total housing units will be demolished, but not replaced. This would form the basis of a more reasonable housing needs determination, as DOF's survey represents the most comprehensive and robust data available.
2. Anticipated household growth on tribal land was not excluded from the regional determination as indicated in the consultation package and follow-up communications. Tribal entities within the SCAG region have repeatedly requested that this estimate be excluded from the RHNA process entirely since as sovereign nations, state law does not apply. SCAG's proposed approach is to subtract estimates of household growth on tribal land from the regional determination and ensure that these figures are also excluded from local jurisdictions' annual progress reports (APRs) of new unit construction to HCD during the 6<sup>th</sup> cycle.
3. A refinement to the adjustment for cost burden would yield a more reasonable determination of regional housing needs. SCAG has repeatedly emphasized the shortcomings of and overlap across various ACS-based measures of housing need. Furthermore, the relationship between new unit construction and cost burden is poorly understood (i.e., what will be the impact of new units on cost, and by extension, cost-burden). Nonetheless, SCAG recognizes that the region's cost burden exceeds that of comparable regions and proposes one modification to HCD's methodology, which currently considers cost burden separately by lower and higher income categories.

While housing security is dependent on income, it is also heavily dependent on tenure. While spending above 30 percent of gross income on housing for renters can reflect true housing insecurity, spending above this threshold for owners is substantially less problematic. This is particularly true for higher income homeowners, who generally benefit from housing shortages as it results in home value appreciation. Thus, a more reasonable application of cost burden

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<sup>1</sup> See Nelson, AC. (2004), *Planner's Estimating Guide Projecting Land-Use and Facility Needs*. Planners Press, American Planning Association, Chicago. P. 25.

statistics would exclude cost-burden experienced by moderate and above-moderate owner households and instead make an adjustment based on three of the four income and tenure combinations: lower-income renters, higher-income renters, and lower-income owners.

4. From our review, HCD's data and use of data is not current. In large metropolitan regions, there is no reasonable basis for using 5-year ACS data, which reflects average conditions from 2013 to 2017. For cost-burden adjustments, HCD relies on 2011-2015 CHAS data. By the beginning of the 6<sup>th</sup> cycle of RHNA, some of the social conditions upon which the determination is based will be eight years old.

During the consultation process, SCAG staff provided HCD with Excel-version data of all inputs needed to replicate their methodology using ACS 2017 1-year data (the most recent available); however, this was not used. The Census bureau is scheduled to release ACS 2018 1-year data on September 26, 2019. SCAG staff would support replicating the same analysis, but substituting 2018 data when it becomes available in order to ensure the most accurate estimates in planning for the region's future.

Finally, given that the manner and order in which modifications are made affects the total housing need, the attachments demonstrate two alternatives with varying interpretations of three of the above points (see boldface, red text in attachments):

- Vacancy rate comparison – SCAG's originally proposed values versus an alternative which emerged from the consultation process
- Replacement need – DOF survey value versus HCD's current practice
- Cost burden measure – whether or not to include higher-income homeowners in this adjustment

We appreciate your careful consideration of this objection. RHNA is a complex process and we recognize the difficult positions that both SCAG and HCD are in but are hopeful that our agencies can reach a reasonable conclusion with respect to the regional need determination. Please contact me if you have questions. I look forward to continuing our close partnership to address the housing crisis in our state.

Sincerely,



Kome Ajise  
Executive Director

#### Attachments

1. SCAG Alternative Determination
2. Excel version: SCAG Alternative Determination and supporting data
3. HCD Letter on Regional Need Determination, August 22, 2019

**Attachment 1**  
**SCAG Alternative Determination**

1	<b>OPTION A: SCAG region housing needs, June 30 2021-October 1 2029 (8.25 Years)</b>			
2	<b>Population: Oct 1, 2029 (SCAG 2020 RTP/SCS Forecast)</b>			<b>20,725,878</b>
3	<b>- Less Group Quarters Population (SCAG 2020 RTP/SCS Forecast)</b>			<b>-327,879</b>
4	<b>Household (HH) Population, Oct 1, 2029</b>			<b>20,397,998</b>
		<b>SCAG Projected HH Population</b>	<b>Headship rate - see Table 2</b>	<b>Projected Households</b>
	<b>Household Formation Groups</b>			
		<b>20,397,998</b>		<b>6,668,498</b>
	<b>under 15 years</b>	3,812,391		n/a
	<b>15 - 24 years</b>	2,642,548		147,005
	<b>25 - 34 years</b>	2,847,526		864,349
	<b>35 - 44 years</b>	2,821,442		1,304,658
	<b>45 - 54 years</b>	2,450,776		1,243,288
	<b>55 - 64 years</b>	2,182,421		1,116,479
	<b>65 -74 years</b>	1,883,181		1,015,576
	<b>75 - 84 years</b>	1,167,232		637,415
	<b>85+</b>	590,480		339,727
5	<b>Projected Households (Occupied Unit Stock)</b>			<b>6,668,498</b>
6	<b>+ Vacancy</b>	<b>Owner</b>	<b>Renter</b>	
	Tenure Share (ACS 2017 1-year)	52.43%	47.57%	
	Households by Tenure	3,496,058	3,172,440	
	Healthy Market Vacancy Standard	<b>1.50%</b>	<b>5.00%</b>	
	SCAG Vacancy (ACS 2017 1-year)	1.13%	3.30%	
	Difference	0.37%	1.70%	
	Vacancy Adjustment	12,953	53,815	66,768
7	+ Overcrowding (Comparison Point vs. Region ACS %)	5.20%	9.82%	4.62%
8	+ Replacement Adj (Actual DOF Demolitions)		<b>0.14%</b>	
	- Household Growth on Tribal Land (SCAG Estimate)			-2,766
9	- Occupied Units (HHs) estimated June 30, 2021 (from DOF data)			-6,250,261
10	+ Cost-burden Adjustment (Comparison Point vs. Region)			<b>23,969</b>
	<b>6th Cycle Regional Housing Need Assessment (RHNA)</b>			<b>823,808</b>

1	<b>OPTION B: SCAG region housing needs, June 30 2021-October 1 2029 (8.25 Years)</b>			
2	<b>Population: Oct 1, 2029 (SCAG 2020 RTP/SCS Forecast)</b>			<b>20,725,878</b>
3	- Less Group Quarters Population (SCAG 2020 RTP/SCS Forecast)			-327,879
4	<b>Household (HH) Population, Oct 1, 2029</b>			<b>20,397,998</b>
		<b>SCAG Projected HH Population</b>	<b>Headship rate - see Table 2</b>	<b>Projected Households</b>
	<b>Household Formation Groups</b>	<b>20,397,998</b>		<b>6,668,498</b>
	under 15 years	3,812,391		n/a
	15 - 24 years	2,642,548		147,005
	25 - 34 years	2,847,526		864,349
	35 - 44 years	2,821,442		1,304,658
	45 - 54 years	2,450,776		1,243,288
	55 - 64 years	2,182,421		1,116,479
	65 -74 years	1,883,181		1,015,576
	75 - 84 years	1,167,232		637,415
	85+	590,480		339,727
5	<b>Projected Households (Occupied Unit Stock)</b>			<b>6,668,498</b>
6	+ Vacancy	Owner	Renter	
	Tenure Share (ACS 2017 1-year)	52.43%	47.57%	
	Households by Tenure	3,496,058	3,172,440	
	Healthy Market Vacancy Standard	<b>2.00%</b>	<b>6.00%</b>	
	SCAG Vacancy (ACS 2017 1-year)	1.13%	3.30%	
	Difference	0.87%	2.70%	
	Vacancy Adjustment	30,433	85,540	115,973
7	+ Overcrowding (Comparison Point vs. Region ACS %)	5.20%	9.82%	4.62%
8	+ Replacement Adj (HCD minimum standard)		<b>0.50%</b>	33,340
	- Household Growth on Tribal Land (SCAG Estimate)			-2,766
9	- Occupied Units (HHs) estimated June 30, 2021 (from DOF data)			-6,250,261
10	+ Cost-burden Adjustment (Comparison Point vs. Region)			<b>47,724</b>
	<b>6th Cycle Regional Housing Need Assessment (RHNA)</b>			<b>920,772</b>

1	Projection period: Gov. Code 65588(f) specifies RHNA projection period start is December 31 or June 30, whichever date most closely precedes end of previous RHNA projection period end date. RHNA projection period end date is set to align with planning period end date. The planning period end date is eight years following the Housing Element due date, which is 18 months following the Regional Transportation Plan adoption rounded to the 15th or end of the month.
2-5	Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from SCAG's Regional Transportation Plan projections. <u>Population</u> reflects total persons. <u>Group Quarter Population</u> reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. <u>Household Population</u> reflects persons requiring residential housing. <u>Projected Households</u> reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
6	Vacancy Adjustment: Pursuant to Government Code 65584.01, a 5% minimum is considered to be healthy market vacancy in the for-rent housing market. Vacancy rates in the for-sale market are unspecified in statute. <b>SCAG's analysis of vacancy rates suggests a healthy market standard of 5% for fore-rent housing and 1.5% for for-sale housing. After extensive consultation with HCD, a review of historical trends, regional and national comparison, and various planning standards, a more liberal vacancy standard of 6% for for-rent housing and 2% for for-sale housing may also be supported by this analysis.</b> These standards are compared against ACS 2017 1-year data based on the renter/owner share in the SCAG region.
7	Overcrowding Adjustment: In regions where overcrowding is greater than the Comparable Region Rate, an adjustment is applied based on the amount the region's overcrowding rate (9.82%) exceeds the Comparable Region Rate (5.20%). Data is from 2017 1-year ACS.
8	Replacement Adjustment: A replacement adjustment is applied based on the current 10-year average % of demolitions according to local government annual reports to Department of Finance. <b>While these data suggest an adjustment of 0.14% is most appropriate, SCAG recognizes that HCD's internal practice is to use an adjustment factor of 0.5%.</b>
9	Occupied Units: Reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2021).
10	Cost Burden Adjustment: A cost-burden adjustment is applied to the projected need by comparing the difference in cost-burden by income and tenure group for the region to the cost-burden by income and tenure group for comparable regions. Data are from 2017 1-year ACS and the ACS \$50,000/year household income threshold is used to distinguish between lower and higher income groups. The lower income RHNA is increased by the percent difference between the region and the comparison region cost burden rate for households earning approximately 80% of area median income and below (88.89%-84.39%=4.51% for renters and 27.33%-20.97%=6.36% for owners), then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent (Very Low=63% of lower, Low=37% of lower). The higher income RHNA is increased by the percent difference between the region and the comparison region cost burden rate (67.15%-65.53%=1.62% for renters and 23.78%-17.06%=6.72% for owners) for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent (Moderate=29% of higher, Above Moderate=71% of higher). <b>SCAG's analysis of the cost-burden measure suggests that it may be less appropriate to apply for higher-income owners and it may be excluded from the adjustment.</b>

**Option A: Regional Housing Need Allocation (RHNA) Determination**

**SCAG Region**

**June 30, 2021 through October 1, 2029**

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low *	25.8%	212,284
Low	15.1%	124,375
Moderate	17.1%	140,601
Above-Moderate	42.1%	346,547
<b>Total</b>	<b>100.0%</b>	<b>823,808</b>
* Extremely-Low	14.6%	included in Very-Low Category

**Option B: Regional Housing Need Allocation (RHNA) Determination**

**SCAG Region**

**June 30, 2021 through October 1, 2029**

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low *	25.8%	231,084
Low	15.1%	135,390
Moderate	17.1%	159,982
Above-Moderate	42.1%	394,316
<b>Total</b>	<b>100.0%</b>	<b>920,772</b>
* Extremely-Low	14.6%	included in Very-Low Category

*Income Distribution : Income categories are prescribed by California Health and Safety Code (Section 50093, et.seq.). Percents are derived based on ACS reported household income brackets and county median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.*





Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
October 7, 2019

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kome Ajise, Executive Director, AJISE@scag.ca.gov

Kome Ajise (handwritten signature)

Subject: Recommended Draft RHNA Methodology

RECOMMENDED ACTION:

That the Community, Economic and Human Development (CEHD) Committee recommend to the Regional Council to submit the draft RHNA methodology to the California Department of Housing and Community Development (HCD) for their 60-day review.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:

SCAG is required to develop a RHNA methodology to distribute regional existing and projected need for the 6th cycle RHNA, which will cover the planning period October 2021 through October 2029. This distribution will result in a draft RHNA allocation for all SCAG jurisdictions. SCAG staff has developed a recommended draft RHNA allocation methodology based on comments and feedback received during the proposed methodology public comment period. The recommended draft RHNA allocation methodology incorporates many of the suggestions provided from stakeholders, furthers the objectives of State housing law, and promotes SCAG's regional planning goals. In addition to a distribution mechanism for housing need, the methodology must also consider State housing objectives, local planning factors, and affirmatively furthering fair housing.

BACKGROUND:

As part of the RHNA process SCAG must develop a proposed RHNA methodology to distribute existing and projected housing need, which will determine each jurisdiction's draft RHNA allocation as a share of the regional determination provided by the California Department of Housing and Community Development (HCD). The 6th cycle regional housing need determination, which covers the planning period of October 2021 through October 2029, was provided to SCAG by HCD in August 2019. SCAG has since then filed an objection to HCD regarding the regional housing need determination and anticipates a decision from HCD this month. While State housing law under Government Code Section 65584.04 outlines several requirements for the RHNA methodology, such

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

as meeting five main objectives, conducting methodology surveys, and holding at least one public hearing, no specifics are provided on how the regional allocation should be distributed to individual jurisdictions.

Over the course of multiple RHNA Subcommittee meetings, SCAG staff provided different components that could be used to develop a RHNA methodology. At its July 22, 2019 meeting, the RHNA Subcommittee reviewed the proposed RHNA methodology, which contained three options developed by SCAG staff based on feedback from the Subcommittee and members of the public. The Subcommittee recommended that the Community, Economic, and Human Development (CEHD) Committee and Regional Council approve the proposed methodologies for release for public comment. On August 1, 2019, the CEHD Committee and Regional Council reviewed the proposed methodologies and recommended and approved release of the proposed methodologies and its three options to begin the public comment period.

The proposed methodologies public comment period began after the Regional Council action on Thursday, August 1 and concluded at the end of Friday, September 13, 2019. SCAG held four public hearings and one public information session on the proposed methodologies:

- August 15, 6-8 p.m. Public Workshop, Los Angeles (View-only webcasting available)
- August 20, 1-3 p.m. Public Workshop, Los Angeles (Videoconference at SCAG regional offices and View-only webcasting available)
- August 22, 1-3 p.m., Public Workshop, Irvine
- August 27, 6-8 p.m., Public Workshop, San Bernardino (View-only webcasting available)
- August 29, 1-3pm Public Information Session, Santa Clarita

Approximately 250 people attended the workshops in-person, at videoconference locations, or via webcast. Over 35 individual verbal comments were shared over the four workshops.

Almost 250 written comments were submitted by the comment deadline and included a wide range of stakeholders. Approximately 50 percent were from local jurisdictions and subregions, and the other 50 percent were submitted by advocacy organizations, industry groups, residents and resident groups, and the general public. All of the comments received, both verbal and written, were reviewed by SCAG staff, and were used as the basis for developing the draft RHNA methodology.

#### Recommended Draft Methodology

Based on comments received during the public comment period, SCAG staff developed a draft RHNA methodology that incorporates many of the components of the proposed methodology options and included additional components. After careful review, SCAG staff concludes that the

recommended draft methodology furthers the five (5) objectives of State housing law and also promotes the objectives of the 2020 Connect SoCal regional plan.

Existing need	Projected need	Income categories
Household growth 2030-2045	Household growth 2020-2030	150% social equity adjustment minimum
Transit accessibility (HQTA population, 2045)	Future vacancy need	0-30% additional adjustment for areas with lowest or highest resource concentration
Job accessibility	Replacement need	
Residual distribution beyond 2020-2045 household growth		

The recommended draft methodology will apply different formulas to existing need and projected need. Projected need will be based on household growth between 2020 and 2030 (as used in the Draft Connect SoCal Growth Forecast, or “local input”), future vacancy need, and replacement need. Existing need, which is the remainder of regional need after projected need is calculated, will be based on household growth (2030-2045), transit accessibility (based on 2045 HQTA population), and job accessibility. A large number of comments provided, both verbal and written, indicated that the RHNA methodology needs to include a component specifically on jobs, and was thus included based on this important feedback.

For a number of jurisdictions, the calculated existing and projected need will result in a higher number than their projected household growth between 2020 and 2045, as reflected in the Draft Connect SoCal. The difference between the two is known as a “residual need.” The residual need will be summed for the region and then redistributed to jurisdictions with both the highest transit accessibility and highest job accessibility, though jurisdictions identified as extremely disadvantaged will not receive any residual need. The term extremely disadvantaged is applied to jurisdictions with at least 50 percent of their population within a lowest resource area (both high segregation & poverty and low resource), as identified by their California Tax Credit Allocation Committee (TCAC) and HCD opportunity index score and described in the following section.

To determine the four (4) RHNA income categories, a minimum of 150 percent social equity adjustment is applied. However, a number of comments indicated that basing the methodology on household income alone may not be sufficient in furthering the State housing law objective of affirmatively furthering fair housing. To address this, the draft RHNA methodology recommends the integration of the TCAC and HCD Opportunity mapping tool. The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. Regional patterns of segregation can be identified based on this tool. The indices are based on indicators such as poverty levels, low wage job proximity, pollution, math and reading proficiency. A jurisdiction's population falls within each of the five (5) resource categories, ranging from "high segregation & poverty" to "highest resource."

The TCAC and HCD Opportunity mapping tool are used in the draft methodology to enhance the social equity adjustment factor. Jurisdictions that have at least 70 percent of their population within either the lowest resource category or the highest resource category are considered as having a high concentration of these categories. In these cases, an additional social equity adjustment of between ten (10) and thirty (30) percent additional social equity adjustment is applied. This mechanism furthers the objectives of avoiding overconcentration of income groups and furthering fair housing.

A full discussion on the recommended draft methodology is attached to this staff report. An updated data appendix, submitted planning factor surveys, and submitted AFFH surveys, and tool to estimate a jurisdiction's draft RHNA allocation using the recommended draft methodology are posted on the SCAG RHNA webpage: [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

#### Next Steps

SCAG staff is recommending that the RHNA Subcommittee review and further recommend to the CEHD Committee to recommend to the Regional Council approval of release of the draft methodology to HCD for their review. A special CEHD Committee meeting has been scheduled for October 21, 2019 to review the RHNA Subcommittee's recommended action, and the CEHD Committee action will be recommended to the Regional Council meeting scheduled for November 7, 2019. HCD will have up to sixty (60) days to review the draft RHNA methodology and provide comments to SCAG. Based on this schedule, SCAG staff expects comments from HCD no later than mid-January 2020.

After the HCD review period, SCAG staff will review HCD's comments and develop a recommended final RHNA methodology. The recommended final methodology will again go before the RHNA Subcommittee, CEHD Committee, and Regional Council for action, which is scheduled to occur between January and February 2020. Subsequent to the adoption of the final RHNA methodology by the Regional Council, SCAG will develop and distribute the RHNA methodology to all

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jurisdictions. After a draft RHNA appeals process during summer 2020, the final RHNA allocation is planned for adoption by the Regional Council in October 2020.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 19-20 General Fund Budget (800.0160.03: RHNA).

**ATTACHMENT(S):**

1. PowerPoint Presentation: Staff Recommendation Draft RHNA Allocation Methodology
2. Staff Recommended Draft RHNA Allocation Methodology Document

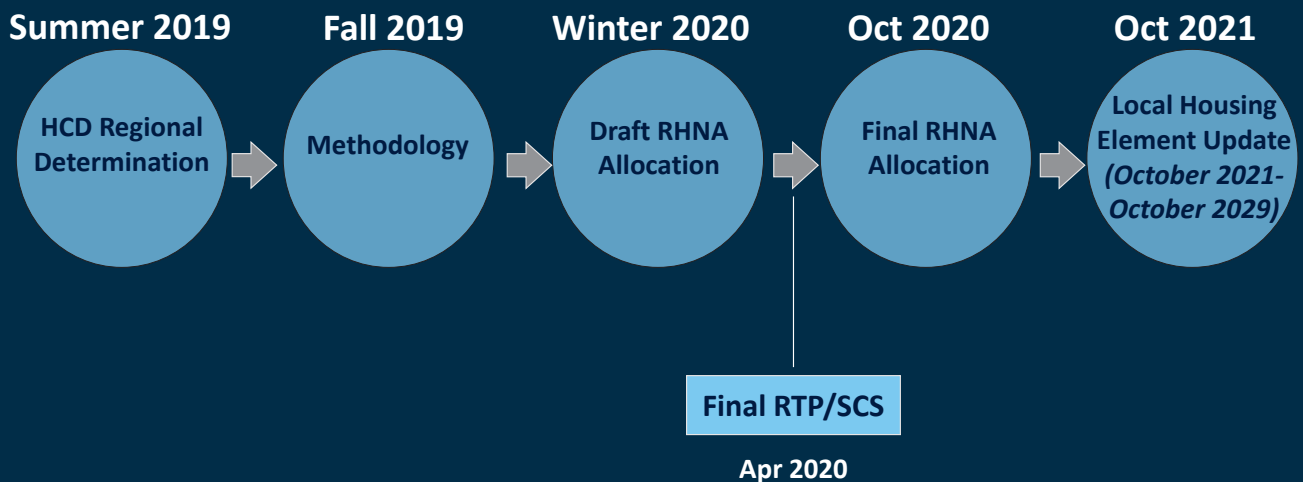
# Staff Recommended Draft RHNA Allocation Methodology

October 7, 2019 RHNA Subcommittee Meeting

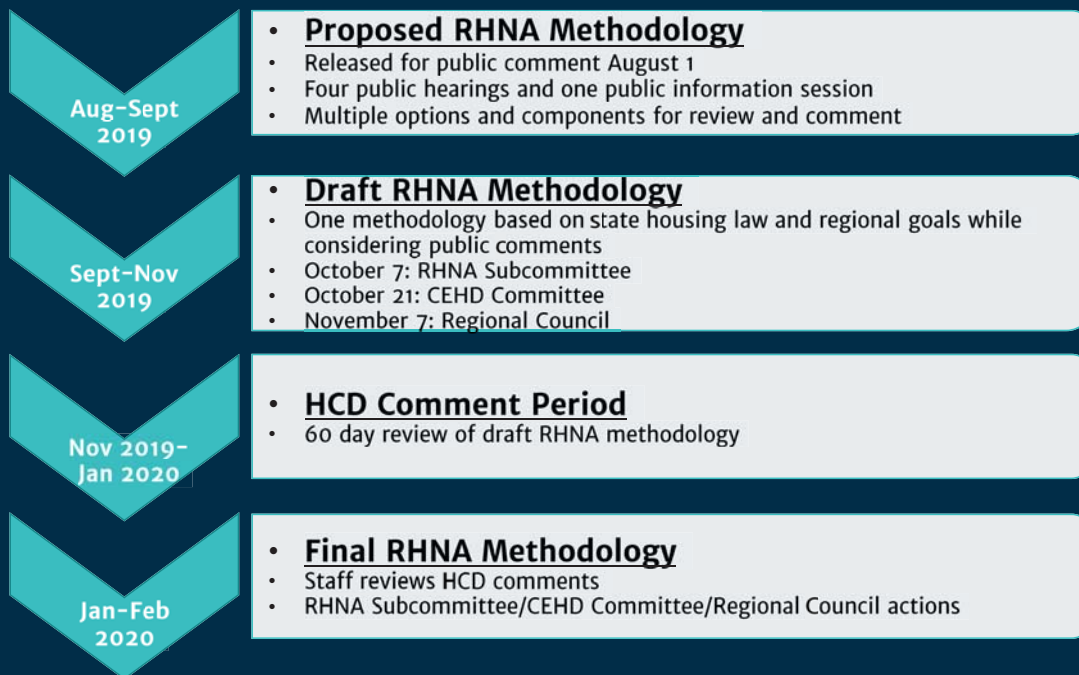
[www.scag.ca.gov](http://www.scag.ca.gov)



## The RHNA Process



# The RHNA Methodology Process



# Objectives of RHNA

- 1) To increase the housing supply and mix of housing types, tenure and affordability within each region in an equitable manner
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns



## Objectives of RHNA

- 3) Promoting an improved intraregional relationship between jobs and housing
- 4) Allocating a lower proportion of housing need in income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution
- 5) Affirmatively furthering fair housing (AFFH)



## Proposed RHNA Methodology: Options

- Released for public comment on August 1, 2019
  - Reviewed by RHNA Subcommittee on July 22
- Three options developed based on feedback from RHNA Subcommittee and stakeholders
- Each option applies different components
- Stakeholders were invited to comment on the options and any other factors or alternative options



## RHNA Methodology Public Review and Comment

- Comment period: August 1 to September 13, 2019
- Four public hearings and an information session were held in August
  - Approximately 250 people attended in-person and via webcast
  - Over 35 verbal comments shared
- Over 248 comments were submitted until the September 13 deadline
  - 118, or 48%, were submitted by local jurisdictions & Subregions
  - Advocacy organizations
  - Residents and resident groups
  - General public
- All written comments are available on the RHNA webpage: [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna)

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## Overall Approach for Staff Recommended RHNA Methodology

1. Projected Need: A jurisdiction's projected housing need will be based on SCAG's jurisdictional growth forecast for 2021 -2029 with adjustments.
2. Existing Need:
  - Follow Connect SoCal 2045 household forecast with adjustments to further plan objectives and state housing law.
  - Adjustments include assigning additional housing units based on a jurisdiction's level of access to jobs and transit.
  - Limit the number of jurisdictions whose allocation exceeds 2045 household forecast to jurisdictions with highest levels of access to jobs and transit with AFFH considerations below.
  - Cap allocation at 2045 household forecast in jurisdictions with high segregation, poverty, and low resource levels.

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## Overall Approach for Staff Recommended RHNA Methodology

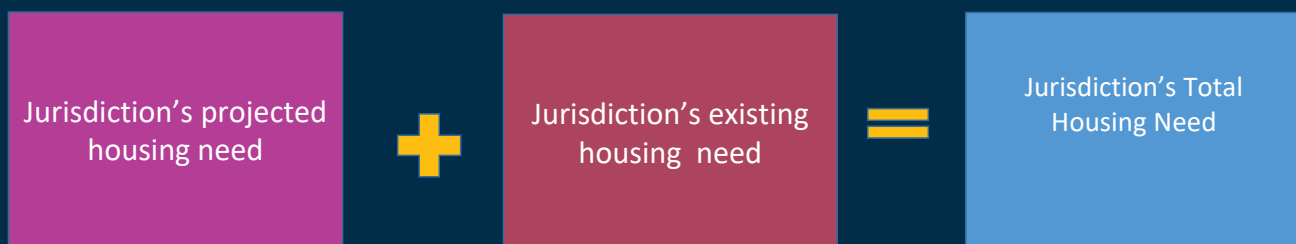


### 3. Social equity and AFFH adjustments:

- Jurisdictions' RHNA allocation will be split across four income categories such that the state-assigned regional totals for very-low, low, moderate, and above-moderate income housing planning are achieved.
- A jurisdiction's share of housing units within each income category will be adjusted based on how a jurisdiction's household income compares to the county.
- For the very highest and very lowest resourced jurisdictions, as defined by the state, this adjustment will be increased.

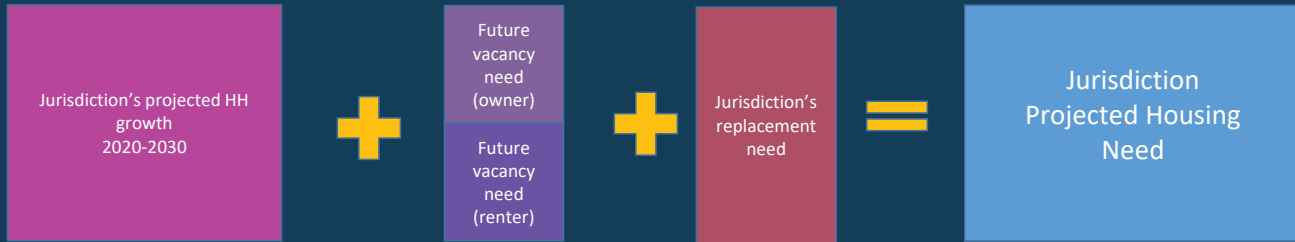
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## Framework of Staff Recommended Draft RHNA Methodology



# Framework of Staff Recommended RHNA Methodology

## Step 1: Determining Projected Housing Need



# Framework of Staff Recommended RHNA Methodology

## Step 2: Determining Existing Housing Need

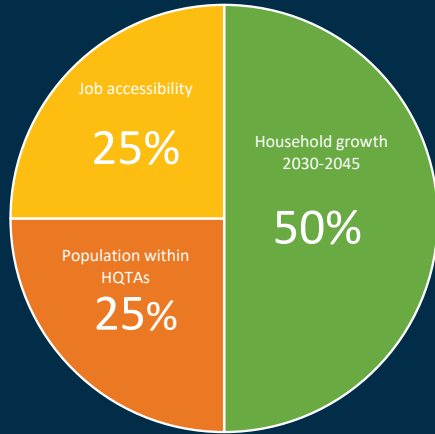


# Framework of Staff Recommended RHNA Methodology

## Step 2: Determining Existing Housing Need



### Regional Existing Need



### Summary of Changes

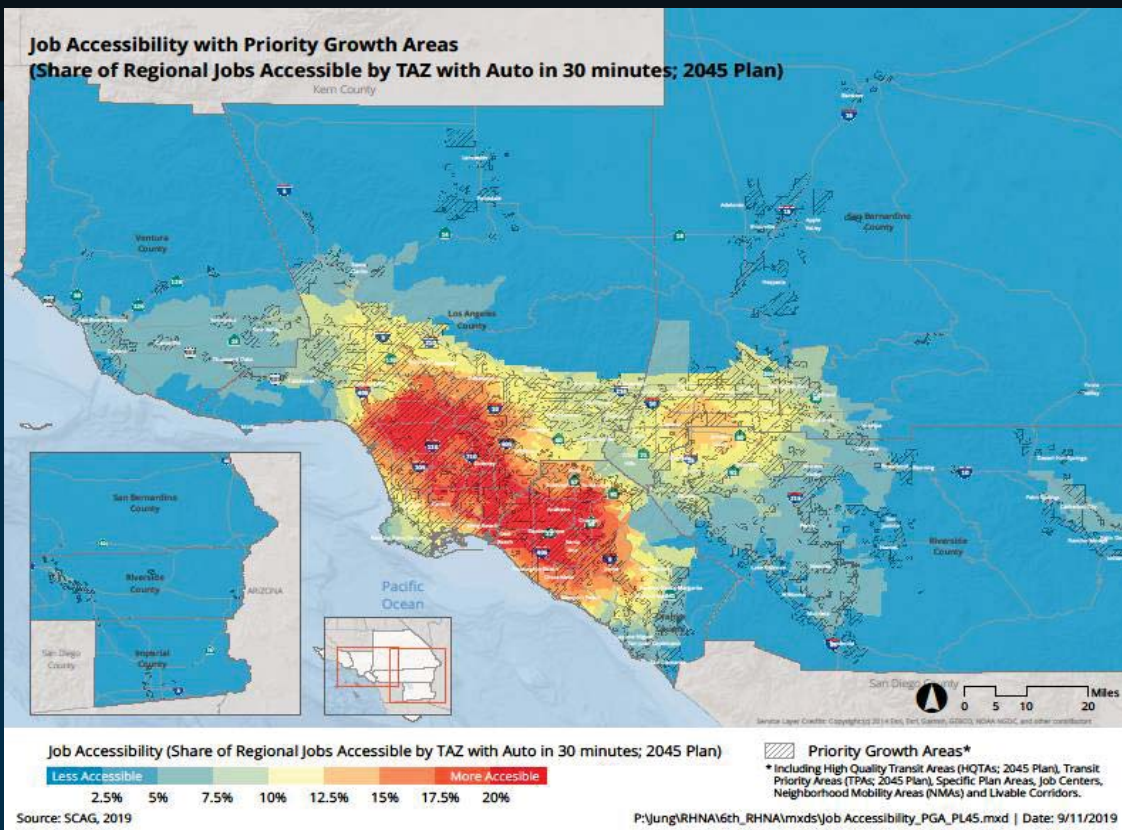
+Addition of job accessibility

+Addition of household growth, 2030-2045

-Removal of existing population

-Removal of permit activity

\*Transit accessibility is now based on 2045 HQTAs

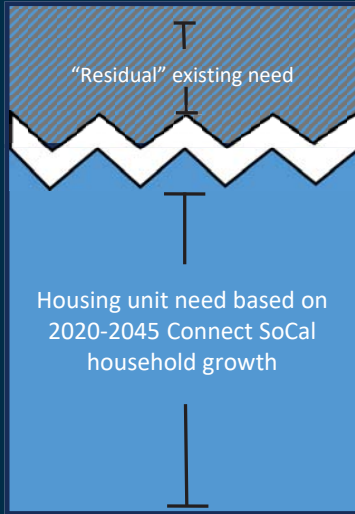


# Framework of Staff Recommended RHNA Methodology

## Step 2: Determining Existing Housing Need



City A calculated projected + existing need

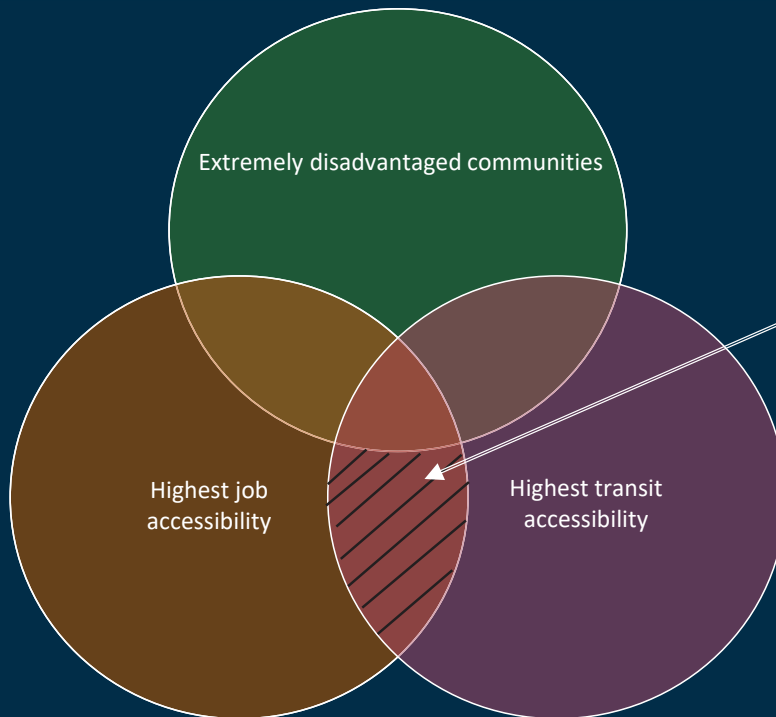


Regional "residual" existing need (about 20% of existing need)



# Framework of Staff Recommended RHNA Methodology

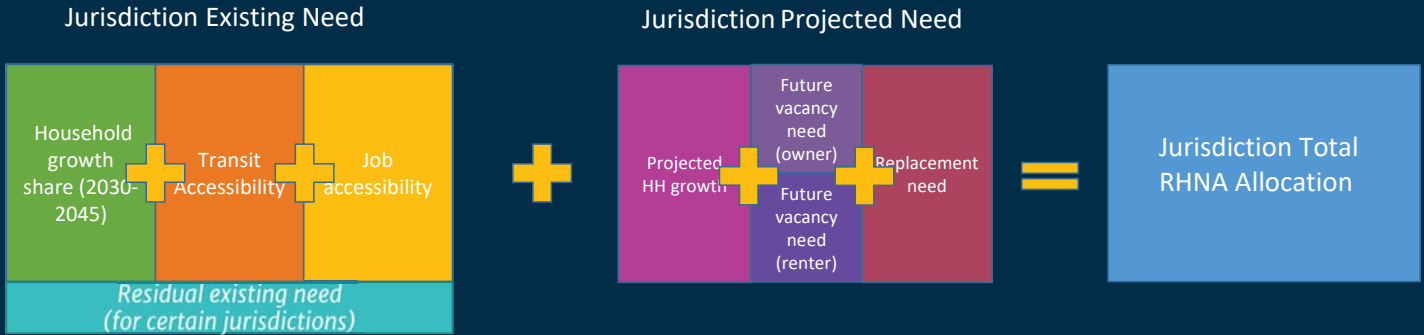
## Step 2: Determining Existing Housing Need



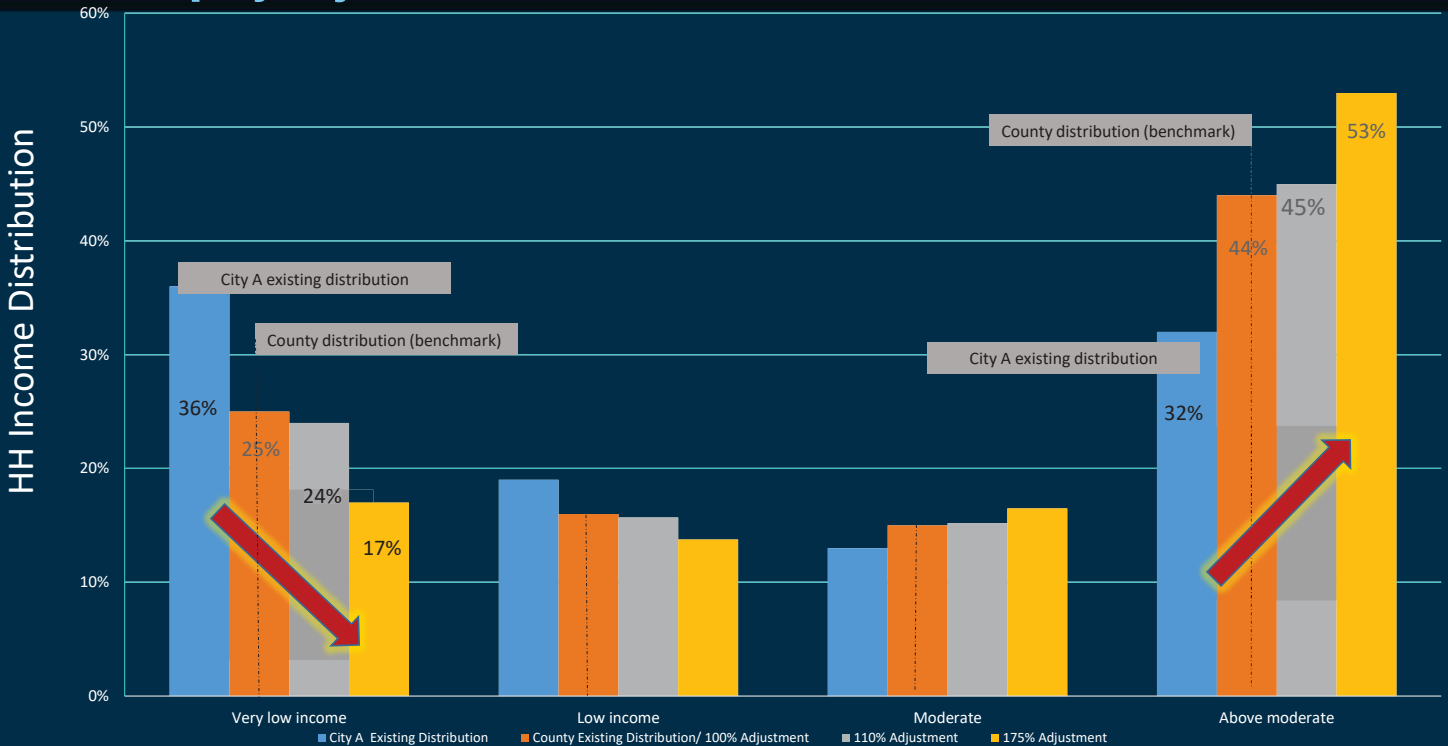
Distribution of "residual" (about 20%) existing housing need to selected jurisdictions

# Framework of Staff Recommended Draft RHNA Methodology

## Step 3: Total RHNA and Four Income Categories



## Social Equity Adjustment



# Framework of Staff Recommended RHNA Methodology

## Step 3: Total RHNA and Four Income Categories



### AFFH and Opportunity Indices

- California Tax Credit Allocation Committee (TCAC) created “Opportunity Indices” that identify areas with low, moderate, and high levels of resources (<https://www.treasurer.ca.gov/ctcac/opportunity.asp>)
- Opportunity Indices include indicators of:
  - Health and environment
  - Math and reading proficiency
  - Low wage job proximity
  - Poverty rates
  - Educational attainment

### TCAC and HCD Opportunity Indicators



Economic	Environment	Education
Poverty	CalEnviroScreen 3.0 Indicators	Education
Adult education		Math proficiency
Employment		Reading proficiency
Low-wage job proximity		High school graduation rates
Median home value		Student poverty rate
	<ul style="list-style-type: none"> <li>• Ozone</li> <li>• PM2.5</li> <li>• Diesel PM</li> <li>• Drinking water contaminants</li> <li>• Pesticides</li> <li>• Toxic releases from facilities</li> <li>• Traffic density</li> <li>• Cleanup sites</li> <li>• Groundwater threats</li> <li>• Hazardous waste</li> <li>• Impaired water bodies</li> <li>• Solid waste sites</li> </ul>	

## Opportunity Indicators: Percentage of Population within Resource Areas



Jurisdictions with more than 50% of its population in lowest resource category are considered “extremely disadvantaged” and are exempt from regional residual distribution

Percentage of population	Lowest resource		Highest resource		Highest resource
	High segregation & poverty	Low resource	Moderate resource	High resource	
City A	10%	10%	30%	30%	20%
City B	90%	5%	5%	0%	0%
City C	0%	0%	10%	15%	75%

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## Framework of Staff Recommended RHNA Methodology Step 3: Total RHNA and Four Income Categories



Highest areas of concentration will receive an additional social equity adjustment

Concentration of population within lowest resource or very high resource area	Additional social equity adjustment
70-80%	+10%
80-90%	+20%
90-100%	+30%



# Framework of Staff Recommended RHNA Methodology

## Step 3: Total RHNA and Four Income Categories



Social equity adjustment



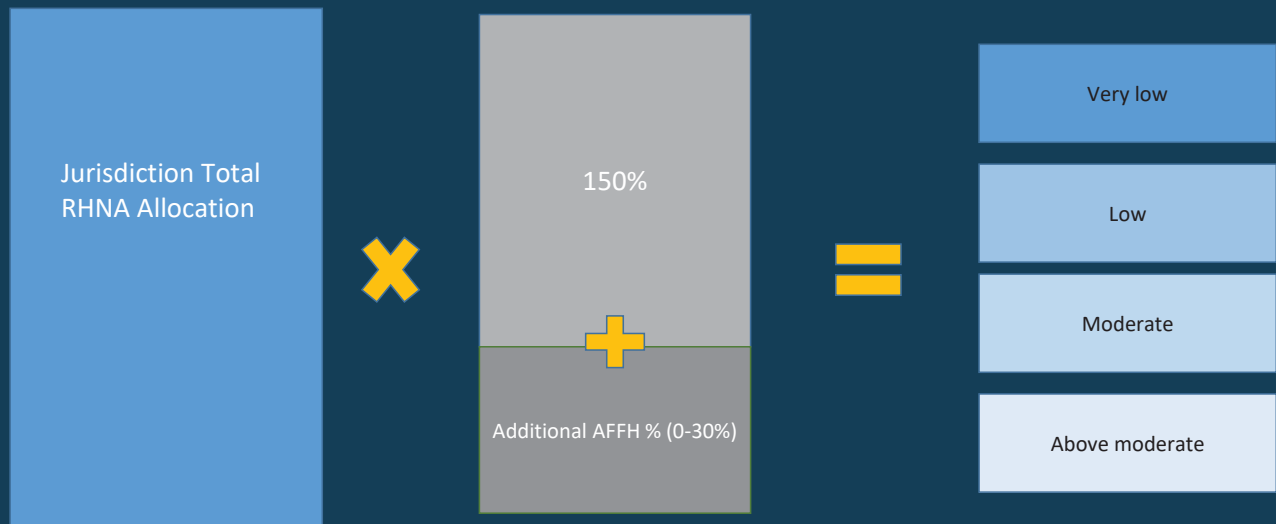
# Framework of Staff Recommended RHNA Methodology

## Step 3: Total RHNA and Four Income Categories



Social equity adjustment

Jurisdiction Total RHNA Allocation



## Framework of Staff Recommended RHNA Methodology

Existing need	Projected need	Income categories
Household growth 2030-2045	Household growth 2020-2030	150% social equity adjustment minimum
Transit accessibility (HQTA population, 2045)	Future vacancy need	0-30% additional adjustment for areas with lowest or highest resource concentration
Job accessibility	Replacement need	
Residual distribution beyond 2020-2045 household growth to jurisdictions with the highest transit & job accessibility exempting extremely disadvantaged communities		

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## Furthering RHNA Objectives

	Increase housing supply	Promote infill development/protect open space	Jobs housing relationship	Avoid overconcentration of income groups	AFFH
Household growth	Yes				
Job accessibility		Yes	Yes		
Transit Accessibility		Yes			
Existing need redistribution		Yes	Yes	Yes	Yes
Social equity				Yes	Yes
AFFH				Yes	Yes

## Next Steps

<input checked="" type="checkbox"/>	August 1 – September 13, 2019	Proposed methodology public comment period
<input checked="" type="checkbox"/>	September 23, 2019	Recommended draft methodology public workshop
	October 7, 2019	RHNA Subcommittee meeting
	October 21, 2019	Special CEHD meeting
	November 7	Regional Council meeting
	November 2019–January 2020	HCD 60-day review
	January/February 2020	Final RHNA allocation methodology

**For more information:**  
[www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna)  
**Email: [housing@scag.ca.gov](mailto:housing@scag.ca.gov)**

## STAFF RECOMMENDED DRAFT RHNA ALLOCATION METHODOLOGY

### EXECUTIVE SUMMARY

***SCAG is required to develop a draft RHNA methodology to distribute existing and projected housing need for the 6th cycle RHNA for each jurisdiction, which will cover the planning period October 2021 through October 2029. Based on extensive feedback from stakeholders during the proposed methodology comment period, SCAG staff developed a recommended draft methodology to further State housing objectives and achieves regional planning goals.***

### HOUSING CRISIS

There is no question that there is an ongoing housing crisis throughout the State of California. The crisis is evidenced by a variety of factors, including overcrowding and cost-burdened households, but the underlying cause is due to insufficient housing supply despite continuing population growth over decades.

As part of the RHNA process SCAG must develop a draft RHNA methodology, which will determine each jurisdiction's draft RHNA allocation as a share of the regional determination of existing and projected housing need provided by the California Department of Housing and Community Development (HCD). There are several requirements outlined by Government Code Section 65584.04, which will be covered in different sections of this packet:

- Distribution methodology, per Government Code 65584.04(a)
- How the distribution methodology furthers the objectives State housing law, per GC 65584.04(f)
- How local planning factors are incorporated into the proposed RHNA methodology, per GC 65584.04(f)
- Furthering the objectives of affirmatively furthering fair housing (AFFH), per GC 65584.04(d)
- Public engagement, per GC 65584.04(d)

Additionally, SCAG has developed a data appendix that contains a full set of various underlying data and assumptions to support the recommended draft methodology. Due to the size of the appendix, a limited number of printed copies are available. SCAG has posted the full methodology appendix, on its RHNA webpage: [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

Per State housing law, the RHNA distribution methodology must distribute existing and projected housing need to all jurisdictions. The following section provides the draft methodology for distributing existing and projected need to jurisdictions from the regional RHNA determination provided by the California Department of Housing and Community Development (HCD) pursuant to Government Code Section 65584.01. While the methodology development timeline is a separate process from the regional determination process, these mechanisms can still be applied regardless of the final regional number determined by HCD.

### Guiding Principles for RHNA Methodology

In addition to furthering the five objectives pursuant to Government Code 65585(d), there are several guiding principles that SCAG staff has developed to use as the basis for developing the distribution mechanism for the recommended draft RHNA methodology. These principles are based on the input and guidance provided by the RHNA Subcommittee during their discussions on RHNA methodology between February 2019 and June 2019.

1. The housing crisis is a result of housing building not keeping up with growth over the last several decades. The RHNA allocation for all jurisdictions are expected to be higher than the 5<sup>th</sup> RHNA cycle.
2. Each jurisdiction must receive a fair share of their regional housing need. This includes a fair share of planning for enough housing for all income levels, and consideration of factors that indicate areas that have high and low concentration of access to opportunity.
3. It is important to emphasize the linkage to other regional planning principles to develop more efficient land use patterns, reduce greenhouse gas emissions, and improve overall quality of life.

The jurisdictional boundaries used in the recommended RHNA methodology will be based on those as of August 31, 2016. Spheres of influence in unincorporated county areas are considered within unincorporated county boundaries for purposes of RHNA.

### Proposed RHNA Distribution Methodology

The **proposed RHNA methodology**, which was released for public review on August 1, contained three (3) options to distribute HCD's regional determination for existing and projected need for the SCAG region. HCD provided SCAG a regional determination of 1,344,740 units for the 6<sup>th</sup> cycle RHNA on August 22, 2019.<sup>1</sup>

The three options were developed based on RHNA Subcommittee feedback on various factors at their meetings between February and June 2019 and feedback from stakeholders. SCAG solicited formal public comment on the three options and any other factors, modifications, or alternative options during the public comment period, which commenced on August 1 and concluded on September 13.

Four public hearings were conducted to formally receive verbal and written comments on the proposed RHNA methodology, in addition to one public information session with a total of about 250 people participated. Almost 250 written comments were submitted to SCAG specifically on the proposed methodology and over 35 verbal comments were shared at four (4) public hearings held in August 2019. Based on comments received during the public comment period, SCAG staff has developed a **draft RHNA methodology**.

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<sup>1</sup> On September 5, 2019, the SCAG Regional Council voted to object to HCD the regional determination, per Government Code Section 65584.01. HCD has 45 days to respond to SCAG's objection and at the time of the drafting of this document, has not provided a response to the submitted objection.

### **Draft RHNA Methodology**

Based on feedback received, a draft RHNA methodology will be recommended to the RHNA Subcommittee, Community, Economic & Human (CEHD) Committee, and the Regional Council prior to submittal to HCD for their 60-day review period. After reviewing HCD comments, which is anticipated to be received by January 2019, SCAG staff will make needed modifications to satisfy State Housing Law, if any, and provide a recommended final RHNA methodology for adoption by RHNA Subcommittee, CEHD Committee, and Regional Council in February 2020.

The draft RHNA methodology is based on a combination of the three options in the proposed methodology and further enhanced by factors suggested specifically by stakeholders. The next section describes the draft RHNA methodology mechanism to distribute existing and projected housing need to all SCAG jurisdictions, as represented by the regional determination.

### **Determining Existing Need and Projected Need**

The draft RHNA methodology starts with the total regional determination provided by HCD and separates existing need from projected need.

Projected need is considered as household growth for jurisdictions between the RHNA projection period between July 1, 2021 and October 1, 2029, in addition to a calculated future vacancy need and replacement need. For projected household growth, SCAG's Connect SoCal growth forecast for the years 2020-2030 is used as the basis for calculating projected housing unit need for the region. The anticipated growth in households over this period is multiplied by 0.825 to approximate growth during the 8.25-year RHNA projection period of July 1, 2021 to October 1, 2029.

For several jurisdictions, SCAG's growth forecast includes projected household growth on tribal land. For these jurisdictions, SCAG's estimate of household growth on tribal land from July 1, 2021 to October 1, 2029 is subtracted from the jurisdictional projected household growth (see note in accompanying calculator). A vacancy adjustment of 1.5% for owner-occupied units and 5% for renter-occupied units will be applied to projected household growth to determine future vacancy need. Next a replacement need is added, which is an estimate of expected replacement need over the RHNA period. Based on these components, the regional projected need is 506,922 units.

Existing need is considered the remainder of the regional determination after projected need is subtracted. Based on this consideration, the regional existing need is 837,818 units.

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## Determining a Jurisdiction's Draft RHNA Allocation (Existing and Projected Need)

After determining the existing need and projected need for the region, the draft methodology applies a three-step process to determine a jurisdiction's draft RHNA allocation by income category:

1. Determine a jurisdiction's projected housing need
  - a. Assign household growth to jurisdictions based on SCAG's Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast between 2020 and 2030.
  - b. Calculate a jurisdiction's future vacancy need by applying a healthy market vacancy rate separately to the jurisdiction's owner and renter households
  - c. Assign a replacement need to jurisdictions based on each jurisdiction's share of regional net replacement need based on information collected from the replacement need survey submitted by local jurisdictions
2. Determine a jurisdiction's existing housing need
  - a. Assign 50 percent of regional existing need to jurisdictions based on each jurisdiction's share of regional household growth between 2030 and 2045<sup>2</sup>
  - b. Assign 25 percent of regional existing need based on a jurisdiction's share of region's population within the high quality transit areas (HQTAs) based on future 2045 HQTAs
  - c. Assign 25 percent of regional existing need based on a jurisdiction's share of the region's jobs that can be accessed within a 30-minute driving commute
  - d. Allocate residual existing need based on excess of jurisdictional household growth between 2020 and 2045, if any, to jurisdictions that have (i) above median job access, (ii) above median transit access, and (iii) have less than 50 percent of their population in disadvantaged areas.
3. Determine four RHNA income categories (very low, low, moderate, and above moderate)
  - a. Use a minimum of 150% social equity adjustment
  - b. Add an additional percentage of social equity adjustment to jurisdictions that have a high concentration of very low or very high resource areas using the California Tax Credit Allocation Committee (TCAC)'s index scoring
    - i. Add a 10% social equity adjustment to areas that are designated as 70-80% very high or very low resource area
    - ii. Add a 20% social equity adjustment to areas that are designated as 81-90% very high or very low resource area
    - iii. Add a 30% social equity adjustment to areas that are designated as 91-100% very high or very low resource area

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<sup>2</sup> Since HCD's regional determination of 1,344,740 exceeds SCAG's 2020-2045 household growth forecast of 1,297,000 by 3.68 percent, for the purposes of existing need allocation, exceeding "local input" or "Connect SoCal" household growth shall mean exceeding 1.0368 times household growth.

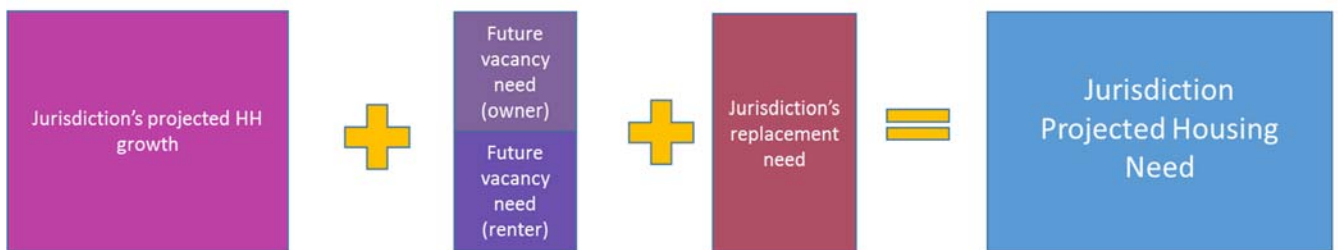
Methodology Component	Assigned units
Projected need: Household growth	468,428
Projected need: Future vacancy need	14,518
Projected need: Replacement need	23,545
Projected need subtotal	506,922

	Percentage of Existing Need	Assigned units
Existing need: Future household growth (2030-2045)	50%	418,909
Existing need: Transit accessibility	25%	209,454
Existing need: Job accessibility	25%	209,454
Existing need subtotal		837,818

Total regional need	1,344,740
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### Step 1: Determine Projected Housing Need

The first step of the draft RHNA methodology is to determine a jurisdiction’s projected need. From the regional determination, projected need is considered regional household growth, regional future vacancy need, and regional replacement need.



To determine a jurisdiction’s projected need, SCAG staff recommends a three-step process:

- a. Determine the jurisdiction’s regional projected household growth based on local input
- b. Determine future vacancy need based on a jurisdiction’s existing composition of owner and renter households and apply a vacancy rate on projected household growth based on the following:
  - a. Apply a 1.5% vacancy need for owner households
  - b. Apply a 5.0% vacancy need for renter households
- c. Determine a jurisdiction’s net replacement need based on replacement need survey results



## Step 1a: Projected Household Growth

SCAG's Connect SoCal regional growth forecast reflects recent and past trends, key demographic and economic assumptions, and local, regional, state, and national policy. SCAG's regional growth forecasting process also emphasizes the participation of local jurisdictions and other stakeholders. The growth forecast process kicked off on May 30, 2017 with the panel of experts meeting wherein fifteen academic scholars and leading practitioners in demographics and economics were invited to review key input assumptions for the growth forecast including expected job growth, labor force participation, birth rates, immigration and household formation rates. SCAG staff then incorporated the recommendations of the panel of experts into a preliminary range of population, household, and employment growth figures for 2016, 2020, 2030, 2035, and 2045 for the region and six counties individually.

SCAG further projects jurisdiction-level and sub-jurisdiction-level employment, population, and households using several major data sources, including:

- California Department of Finance (DOF) population and household estimates;
- California Employment Development Department (EDD) jobs report by industry;
- 2015 existing land use and General Plans from local jurisdictions;
- 2010 Census and the latest ACS data (2013-2017 5-year samples);
- County assessor parcel databases;
- 2011 and 2015 Business Installment data from InfoGroup; and
- SCAG's 2016 RTP/SCS growth forecast.

On October 31, 2017, the preliminary small area (i.e. jurisdiction and sub-jurisdiction) growth forecasts were released to local jurisdictions for their comments and input. This kicked off SCAG's *Bottom-Up Local Input and Envisioning Process* which provided each local jurisdiction with their growth forecast information as well as several other data elements both produced by SCAG and other agencies which are related to the development of Connect SoCal. Data map books were generated and provided electronically and in hard copy format and included detailed parcel-level land use data, information on resource areas, farmland, transportation, geographical boundaries and the draft growth forecast. Complete information on the Data map books and the Bottom-Up Local Input and Envisioning Process can be found at <http://scagrtpscscs.net/Pages/DataMapBooks.aspx>. Over the next eight months, SCAG staff conducted one-on-one meetings with all 197 local jurisdictions to explain methods and assumptions behind the jurisdiction and sub-jurisdiction growth forecast as well as to provide an opportunity to review, edit, and approve SCAG's preliminary forecast for population, employment, and households for 2016, 2020, 2030, 2035, and 2045.

Between October 2018 and February 2019, SCAG reviewed local input on the growth forecast and other data map book elements. The local input growth forecast was evaluated at the county and regional level for the base year of 2016 and the horizon year of 2045 and was found to be technically sound. Specifically, as it relates to SCAG's local input household forecast:

- The forecast generates a 2045 regional unemployment rate of 4.7 percent which is reasonable based on past trends and ensured that the forecast is balanced, i.e. there are not too many jobs for the number of anticipated workers
- The forecast generates a 2045 population-to-household ratio of 2.9 which is consistent with the preliminary forecast and reflects expert-anticipated decreases in this ratio, ensuring that there are not too many people for the anticipated number of households region-wide
- From 2020-2045, the forecast anticipates household growth of 21 percent and population growth of 15 percent, indicating an alleviation of the region's current housing shortage over this future period.

SCAG's growth forecast for the years 2020-2030 is used as the basis for calculating projected housing unit need. Because the 6th cycle RHNA projection period covers July 1, 2021 through October 15, 2029, it is necessary to adjust reported household growth between 2020 and 2030 and adjust it to an 8.25 year projection period. The anticipated growth in households over this period is multiplied by 0.825 to approximate growth during the 8.25-year RHNA projection period (July 1, 2021 to October 15, 2029).

### Step 1b: Future Vacancy Need

The purpose of a future vacancy need is to ensure that there is enough vacant units to support a healthy housing market that can genuinely accommodate projected household growth. An undersupply of vacant units can prevent new households from forming or moving into a jurisdiction. Formulaically, future vacancy need is a percentage applied to the jurisdiction's household growth by tenure (owner and renter households). While individual jurisdictions may experience different vacancy rates at different points in time, future vacancy need is independent of existing conditions and instead is a minimum need to support household growth.

To calculate a jurisdiction's future vacancy need, its proportion of owner-occupied units and renter-occupied units are determined using American Community Survey (ACS) 2013-2017 data—the most recent available. The percentages are then applied to the jurisdiction's projected household growth from the previous step, which results in the number of projected households that are predicted to be owners and those that are predicted to be renters.

Next, two different vacancy rates are applied based on the regional determination provided by HCD. The recommended draft methodology uses 1.5 percent for owner-occupied units while using a rate of 5 percent for renter-occupied units. The difference is due to the higher rates of turnover generally reported by renter units in comparison to owner-occupied units. The vacancy rates are applied to their respective tenure category to determine how many future vacant units are needed by tenure and then added together to get the total future vacancy need.

### Step 1c: Replacement Need

Residential units are demolished for a variety of reasons, including natural disasters, fire, or desire to construct entirely new residences. Each time a unit is demolished, a household is displaced and disrupts the jurisdiction's pattern of projected household growth. The household may choose to live

in a vacant unit or leave the jurisdiction, of which both scenarios result in negative household growth through the loss of a vacant unit for a new household or subtracting from the jurisdictions number of households.

For these reasons, replacement need is a required component of the regional determination provided by HCD. The proposed methodology's replacement need will be calculated using a jurisdiction's net replacement need based on data submitted for the replacement need survey, which was conducted between March and April 2019.

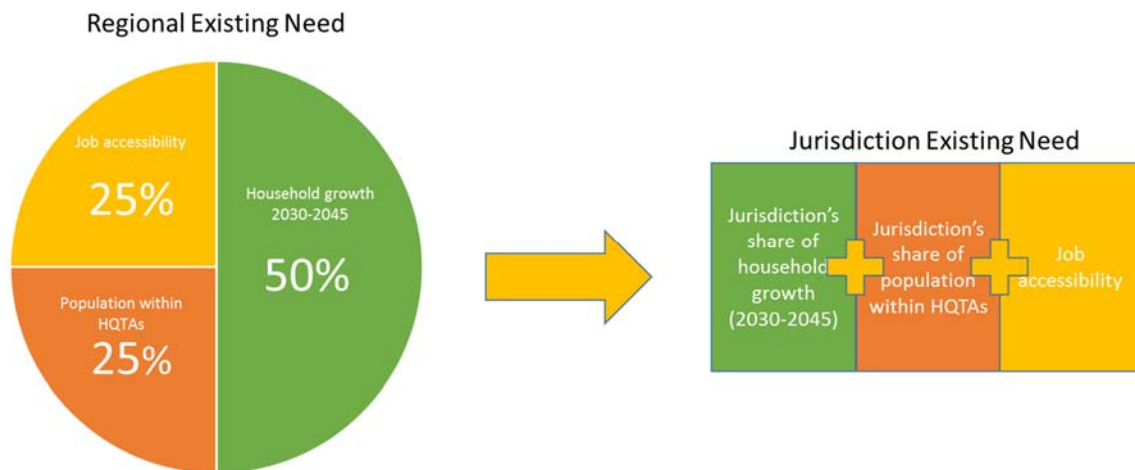
Each jurisdiction's data on historical demolitions between reporting years 2008 and 2018, which was collected from the California Department of Finance (DOF), was tabulated and provided to jurisdictions in the replacement need survey. Jurisdictions were asked to provide data on units that replaced the reported demolished units. A net replacement need was determined based on this information for each jurisdiction.

After determining each of the projected housing need components, they are combined to determine a jurisdiction's projected housing need.

## Step 2: Determine Existing Housing Need

After determining a jurisdiction's projected need, the next step is to determine a jurisdiction's existing need. Following the above discussion and based on HCD's determination of total regional housing need, existing need is defined as approximately 62 percent of the regional determination. Staff's recommendation to determine this splits the regional existing need into four parts:

- Fifty (50) percent on household growth between 2030 and 2045, or 31 percent of total need
- Twenty-five (25) percent on population near transit (HQTA), or 15.5 percent of total need
- Twenty-five (25) percent on job accessibility, or 15.5 percent of total need



### Step 2a: Share of Household Growth

To distribute existing housing need, 50 percent of the regional existing need will be assigned based on each jurisdiction's share of household growth between 2030 and 2045. The source of regional population is based on the local input data provided as part of SCAG's 2020 Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast.

### Step 2b: Share of Regional HQTA Population

The next step involves the consideration of proximity to transit to distribute twenty-five (25) percent of the region's existing housing need, in an effort to better align transportation and housing planning. To measure proximity to transit, the draft RHNA methodology uses High Quality Transit Areas (HQTA)s, which are areas that are within a half-mile of transit stations and corridors that have at least a fifteen (15) minute headway (time in between the next scheduled service) during peak hours for bus service. Other types of transit, such as commuter rail stations, are included as HQTAs as well. The source used for this information is SCAG's draft 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

The 25 percent of the regional existing housing need will be distributed based on a jurisdiction's share of regional population within an HQTAs. Not all jurisdictions have an HQTAs within their jurisdictional boundaries and thus will not receive existing need based on this factor.

### Step 2c: Job Accessibility

The concept behind job accessibility is to further the Statewide housing objective and SCAG's Connect SoCal objective of improving the relationship between jobs and housing. While none of the three options presented in the proposed RHNA methodology included a factor directly based on job accessibility, an overwhelming number of public comments expressed support for the draft methodology to include this specific component.

SCAG staff recommends that twenty-five (25) percent of regional existing need be assigned based on job accessibility. Job accessibility is defined in the draft methodology as the share of the region's jobs accessible by a thirty (30) minute commute by car in 2045.

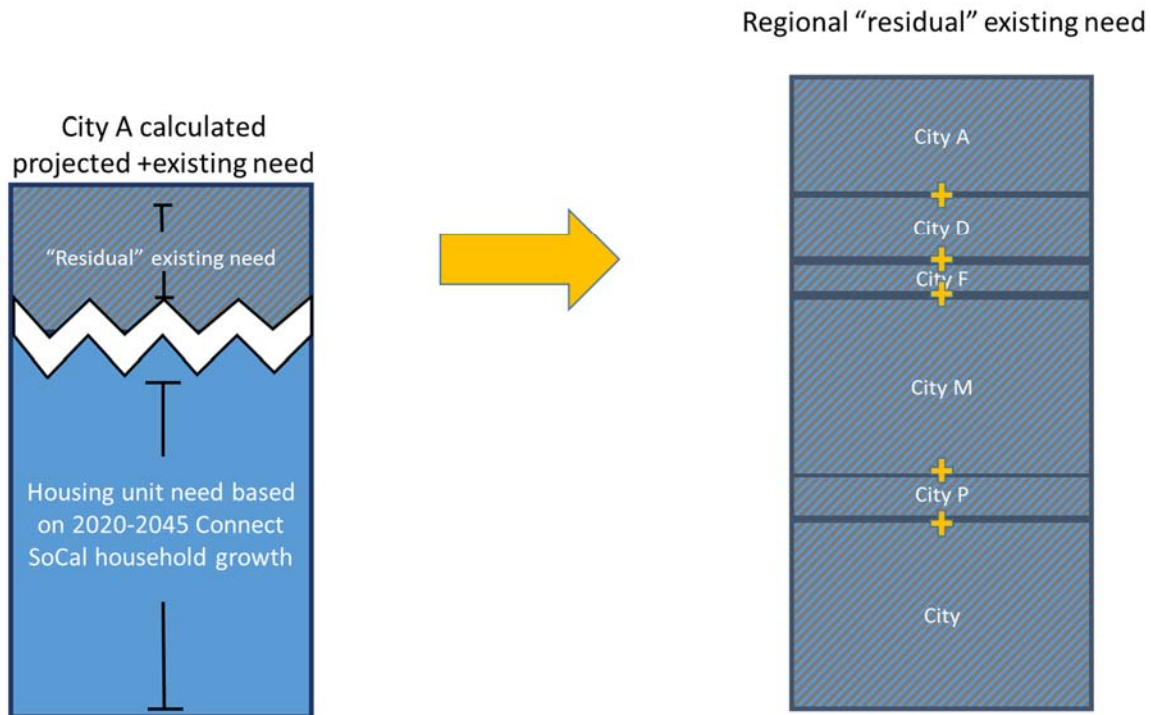
These outputs are derived at the transportation analysis zone (TAZ) level from travel demand modelling output from SCAG's draft Connect SoCal Plan. While SCAG realizes that in many jurisdictions, especially larger ones, job access may not be uniform in all parts of the city or county. However, since the RHNA process requires allocating housing need at the jurisdictional-level, staff reviewed several mechanisms whereby this TAZ-level measure could be converted into a summary of the typical commuter's experience in each city. Ultimately, the share of the region's jobs that could be accessed by a jurisdiction's *median* TAZ was found to be the best measure of jobs for the city. Based on this measure, in central parts of the region, residents of some cities can access over 20 percent of the region's jobs in a 30 minute car commute, while the average across all the region's cities was 10.5 percent.

This measure is multiplied by a jurisdiction's share of total population in order to allocate housing unit need to jurisdictions. This important step ensures that the potential beneficiaries of greater accessibility (i.e., the population in a jurisdiction with good job access) are captured in the methodology. Based on this approach, jurisdictions with limited accessibility to jobs will receive a smaller RHNA allocation based on this component.

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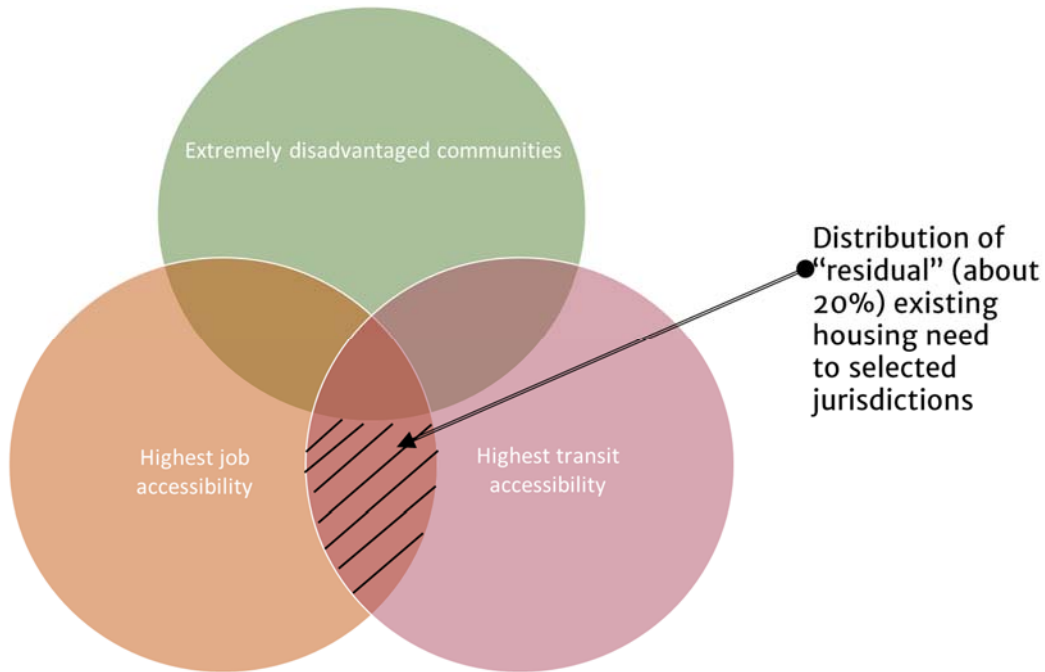
## Step 2d: “Residual” Adjustment Factor for Existing Need

In a large number of jurisdictions, the calculated projected and existing need is higher than its household growth between 2020 and 2045, as determined by the SCAG Growth Forecast used in the Connect SoCal regional plan. Jurisdictions that have a need as determined by the draft methodology as higher than its 2020 to 2045 household growth<sup>3</sup> will be considered as having a “residual” existing need. Residual need will be subtracted from jurisdictional need in these cases so that the maximum a jurisdiction will receive for existing need is its 2020 to 2045 household growth.. Not all jurisdictions will have a residual existing need.



A regional total of residual existing need, which represents about twenty (20) percent of existing need, will be calculated and then redistributed. The redistribution will be assigned to jurisdictions that have both high transit accessibility and high job accessibility, and will exclude jurisdictions which have a high share of their populations in very low resource areas using California Tax Credit Allocation Committee (TCAC) Opportunity Indices.

<sup>3 3</sup> Since HCD’s regional determination of 1,344,740 exceeds SCAG’s 2020-2045 household growth forecast of 1,297,000 by 3.68 percent, for the purposes of existing need allocation, exceeding “local input” or “Connect SoCal” household growth shall mean exceeding 1.0368 times household growth.



Residual existing need will be redistributed to areas that are both in the top 50<sup>th</sup> percentile of population-weighted regional job share and top 50<sup>th</sup> percentile for population-weighted HQT population share, and are not defined as extremely disadvantaged. For this component, jurisdictions are considered extremely disadvantaged if they have at least 50% of their population within a “very low resource” area as defined by its “Opportunity index” score developed by the California Tax Credit Allocation Committee (TCAC) and HCD.

Put differently, cities in the bottom half in terms of transit access, in the bottom half of job access, *or* with more than 50 percent of their population in very low resource areas will not receive a RHNA allocation higher than the Connect SoCal 2045 forecast, as defined earlier.

Very low resource areas are areas that have least access to opportunity as measured by indicators such as poverty levels, low wage job proximity, math and reading proficiency, and pollution levels. This mechanism will help to further AFFH objectives since residual existing RHNA need, which includes additional affordable units, will be assigned to areas that are not identified as those with the lowest resources, which will increase access to opportunity. A full discussion on the TCAC opportunity indicators is provided in the following section on social equity adjustment. Data relating to the TCAC opportunity indicator categories for each jurisdiction can be found in the draft methodology data appendix and in the accompanying draft allocation estimator tool on the RHNA webpage: [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

### Step 3: Determining Four Income Categories through Social Equity Adjustment

After determining a jurisdiction's total draft RHNA allocation, the next step is to assign the total into four RHNA income categories. The four RHNA income categories are:

- Very low (50 percent or less of the county median income);
- Low (50-80 percent);
- Moderate (80 to 120 percent); and
- Above moderate (120 percent and above)

The fourth RHNA objective specifically require that the proposed RHNA methodology allocate a lower proportion of housing need in jurisdictions that already have a disproportionately high concentration of those households in comparison to the county distribution. Additionally, the fifth objective, affirmatively furthering fair housing (AFFH), requires that the RHNA methodology further the objectives of addressing significant disparities in housing needs and access to opportunity and overcome patterns of segregation.

To further these two objectives, the draft RHNA methodology includes a minimum 150 percent social equity adjustment, along with an additional percentage of 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, to determine the distribution of four income categories for each jurisdiction.

#### Social equity adjustment



A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. First, the percentage of each jurisdiction's distribution of four income categories is determined using the county median income as a benchmark. For example, in Los Angeles County, a household earning less than \$30,552 annually, or 50 percent of the county median income, would be considered a very low income household. A household in Los Angeles County earning more than \$73,218 annually, or 120 percent of the county median income, would be counted in the above moderate category. The number of households in each category is summed and then a percentage of each category is then calculated.



For reference, below is the median household income by county.

- Imperial County: \$44,779
- Los Angeles County: \$61,015
- Orange County: \$81,851
- Riverside County: \$60,807
- San Bernardino County: \$57,156
- Ventura County: \$81,972
- SCAG region: \$64,114

Source: American Community Survey (ACS) 2013-2017 5-year estimates

Once a jurisdiction’s existing household income distribution by income category is determined, the percentage is compared to the county’s percentage of existing household income distribution. For example, if a jurisdiction has an existing distribution of 30 percent of very low income households while the county is 25 percent, the jurisdiction is considered as having an overconcentration of very low income households compared to the county. A social equity adjustment ensures that the jurisdiction will be assigned a smaller percentage of very low income households for its RHNA allocation than both what it currently has and what its county currently has (provided that the percentage is higher than 100 percent).

If the jurisdiction is assigned a social equity adjustment of 170 percent, the formula to calculate its very low income percentage is:

Household Income Level	Formula to Calculate City A Social Equity Adjustment of 150%
Very Low Income	$30\% - [(30\% - 25\%) \times 1.5] = 22.5\%$

In this example, 22.5 percent of the jurisdiction’s total RHNA allocation would be assigned to the very low income category. This adjustment is lower than both its existing household income distribution (30 percent) and the existing county distribution (25 percent).

The inverse occurs in higher income categories. Assuming that the jurisdiction has an existing household income distribution of 20 percent for above moderate income households while the county has 25 percent, the jurisdiction will be assigned a distribution of 27.5 percent for above moderate income need.

Household Income Level	Formula to Calculate City A Social Equity Adjustment of 150%
Above moderate income	$20\% - [(20\% - 25\%) \times 1.5] = 27.5\%$

If the adjustment was 100 percent a jurisdiction’s distribution would be exactly the same as the County’s distribution. Conceptually a 150 percent adjustment means that the City meets the County distribution and goes beyond that threshold by 50 percent, resulting in a higher or lower distribution than the County depending on what existing conditions are in the City. The higher the adjustment, the more noticeable the difference between the jurisdiction’s existing household income distribution and its revised distribution.

The draft methodology recommends a minimum of 150 percent social equity adjustment with an additional 10, 20, or 30 percent added depending on whether the jurisdiction is considered a very low or very high resource area based on its Opportunity Index score.

In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act. In late 2017, a Task Force convened by HCD and the California Tax Credit Allocation Committee (TCAC) released an “Opportunity mapping” tool based on these HUD indices to identify areas in California that can “offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.”<sup>4</sup>

The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. The indices are based on indicators relating to the access of economic, environment, and education opportunities within communities. Regional patterns of segregation can be identified based on this tool. Below is a summary table of the 11 indices sorted by type:

<b>Economic</b>	<b>Environment</b>	<b>Education</b>
Poverty	CalEnviroScreen 3.0 indicators <ul style="list-style-type: none"> <li>• <i>Ozone</i></li> <li>• <i>PM2.5</i></li> <li>• <i>Diesel PM</i></li> <li>• <i>Drinking water contaminates</i></li> <li>• <i>Pesticides</i></li> <li>• <i>Toxic releases from facilities</i></li> <li>• <i>Traffic density</i></li> <li>• <i>Cleanup sites</i></li> <li>• <i>Groundwater threats</i></li> <li>• <i>Hazardous waste</i></li> <li>• <i>Impaired water bodies</i></li> <li>• <i>Solid waste sites</i></li> </ul>	Math proficiency
Adult education		Reading proficiency
Employment		High school graduation rates
Low-wage job proximity		Student poverty rate
Median home value		

Based on its respective access to opportunity, each census tract is given a score that designates it under one of the following categories:

- High segregation & poverty;
- Low resource
- Moderate resource
- High resource

<sup>4</sup> California Fair Housing Taskforce Revised opportunity Mapping Technology, Updated November 27, 2018: <https://www.treasurer.ca.gov/ctcac/opportunity/final-opportunity-mapping-methodology.pdf>

- Highest resource

Tract-level indices were summed to the jurisdictional-level by SCAG using area-weighted interpolation. Using 2013-2017 American Community Survey population data, SCAG determined the share of each jurisdiction’s population in each of these five categories. For example:

	Lowest Resource				Very High Resource
Opportunity Indicator Category	High segregation & poverty	Low resource	Moderate resource	High resource	Highest resource
City A Percentage of population	10%	10%	30%	30%	20%
City B Percentage of population	90%	5%	5%	0%	0%
City C Percentage of population	0%	0%	10%	15%	75%

To determine where there is a concentration of high or low resources, the recommended draft methodology identifies “very low” resource areas and “very high” resource areas by combining the two lowest and two highest measures, respectively. In the above table, City B would be considered to have a much higher concentration of lower resource areas than City A. City C would be considered to have a much higher concentration of highest resource areas.<sup>5</sup>

- High segregation & Poverty + Low Resource = Lowest Resource
- Highest Resource

Jurisdictions that are identified as having a between 70 and 100 percent of its population within a lowest or very high resource area are assigned an additional 10 and 30 percent social equity adjustment:

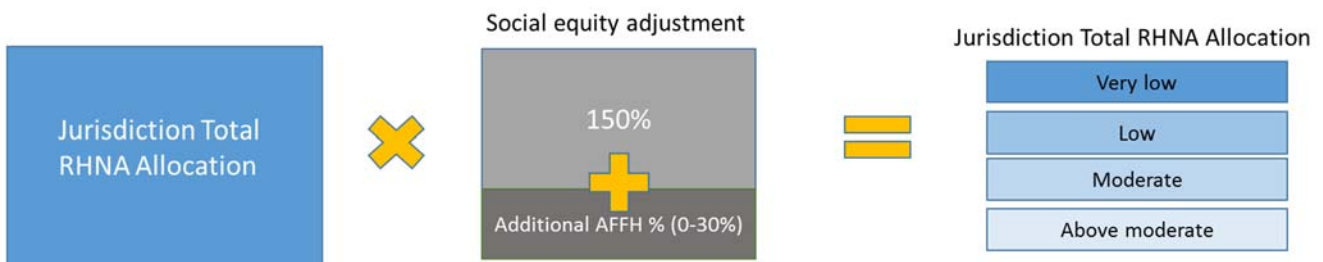
Concentration of population within very low or very high resource area	Additional social equity adjustment
70-80%	+10%
80-90%	+20%
90-100%	+30%

<sup>5</sup> As a cross-reference, if City B has both a high job and transit accessibility it would be exempt from the redistribution of residual existing need from the draft methodology’s Step 2d because more than 50 percent of its population is within a very low resource area. On the other hand City A and City C, if they have a high job and transit access, would not be exempt from receiving regional residual need because they have only 20 percent and 0 percent of their respective population within a very low resource area.

In the example table, City B would receive an additional social equity adjustment of 30% because 95% of its population is within a lowest resource area (sum of high segregation & poverty and low resource measures). City C would receive an additional social equity adjustment of 10% because 75% of its population is within a very high resource area. City A would not receive a further adjustment because it does not have a high enough concentration of population within either the lowest or very high resource categories.

Assigning a higher social equity adjustment based on Opportunity Indices will result in a higher percentage of affordable housing units to areas that have higher resources. Concurrently, it will assign a lower percentage of affordable housing in areas where they is already an overconcentration. Because Opportunity Indices consider factors such as access to lower wage jobs, poverty rates, and school proficiency, the social equity adjustment in the draft RHNA methodology will result in factors beyond simply household income distribution. This additional adjustment will help to adjust the disparity in access to fair housing across the region, furthering the AFFH objective required in State housing law.

Once the social equity adjustment is determined, it is used to assign need to the four income categories.



**Final Adjustments**

On a regional level the final RHNA allocation plan must be the same as the regional determination, by income category, provided by HCD. The draft RHNA methodology will result in slight differences, among income categories, since income categories are required to use county distributions as benchmarks and the HCD determination does not include county-level benchmarks. For this reason, after the initial income categories are determined for jurisdictions, SCAG will apply a normalization adjustment to ensure that the regional total by income category is maintained.

Additionally, in the event that a jurisdiction receives an allocation of zero (0) units under the aforementioned draft methodology a minimum RHNA allocation of eight (8) units would be assigned. Government Code Section 65584.04(m)(2) requires that the final RHNA allocation plan ensure that each jurisdiction receive an allocation of units for low- and very low income households. Under these circumstances, SCAG will assign those jurisdictions a minimum of four (4) units in the very low income category and four (4) units in the low income category for a draft RHNA allocation of eight (8) units.

## Comparison with Proposed Methodology Options 1, 2, and 3

Three separate options were released for public review and comment as the proposed RHNA methodology on August 1, 2019. Below is an overview of each of the three options. While a number of submitted comments indicated a preference for certain options, a large number of submitted comments expressed concerns with specific options or their components.

### Proposed Methodology Option 1

In terms of structure, the draft methodology most closely resembles Option 1 of the proposed RHNA methodology. Projected need and existing need are separated from the regional determination and then two different formulas are applied.

1. Determine existing housing need
  - a. Assign 70 percent of regional existing need to jurisdictions based on each jurisdiction's share of the regional population
  - b. Assign 20 percent of regional existing need based on a jurisdiction's share of population within the regional high quality transit areas (HQTAs)
  - c. Assign 10 percent of regional existing need based on a jurisdiction's relative share of regional building activity
  - d. Apply a 110 percent social equity adjustment to determine three income categories (very low, low, and moderate)
2. Determine projected housing need
  - a. Assign household growth to jurisdictions based on each jurisdiction's share of regional household growth based on the local input data provided as part of SCAG's 2020 Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast.
  - b. Calculate a jurisdiction's future vacancy need by applying a healthy market vacancy rate separately to the jurisdiction's owner and renter households
  - c. Assign a replacement need to jurisdictions based on each jurisdiction's share of regional replacement need based on information collected from the replacement need survey submitted by local jurisdictions
  - d. Apply a 150 percent social equity adjustment to determine four income categories (very low, low, moderate, and above moderate)
3. Add the existing housing need by income category from step 1 and the projected housing need by income category from step 2 together to determine a jurisdiction's total RHNA allocation and by income category

### Proposed RHNA Methodology Option 2

The second option in the proposed RHNA methodology did not separate projected need and existing need from the regional determination. The steps in Option 2 are:

1. Determine total RHNA need
  - a. Assign 80 percent of regional need to jurisdictions based on each jurisdiction's share of the regional population

- b. Assign 20 percent of regional need based on a jurisdiction's share of population within the regional high quality transit areas (HQTAs)
2. Determine four income categories from total need
- a. Apply a 150 percent social equity adjustment to determine four income categories (very low, low, moderate, and above moderate)

### Proposed RHNA Methodology Option 3

A third option in the proposed RHNA methodology considered local input as the main factor in determining a total draft RHNA allocation. The total allocation assigned to a jurisdiction would be similar to the mechanism used to determine projected housing need in step 2 of Option 1, except that instead of share of regional household growth as the basis, Option 3 uses share of regional population growth. Population growth as referenced in this option is based on total population, which includes both group quarters and household population. This option most closely resembled the RHNA methodology for the 4<sup>th</sup> (2006-2018) and 5<sup>th</sup> (2013-2021) RHNA cycles.

In Option 3, the horizon year selected for share of regional population growth was based on the closest regional total to the regional determination. HCD's regional determination of 1.34 million was closest to the regional determination of 1,344,740, which is the horizon year 2045. Once the horizon year is selected, the jurisdiction's share of regional population growth between 2020 and the horizon year is calculated. The share is then applied to the RHNA regional determination provided by HCD. Future vacancy need by owner and renter and share of regional replacement need are then added to the growth to determine a jurisdiction's total draft RHNA allocation. A 150% social equity adjustment is then applied to calculate the four income categories.

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Summary of Changes

As a result of public comments received from jurisdictions, stakeholders, and the general public, there are several notable changes between the components found in the proposed methodology options and the recommended draft methodology.

	Draft Methodology	Option 1	Option 2	Option 3
Existing need separate from projected need	Yes	Yes	No	No
Higher total of lower income categories	No	Yes	No	No
Transit accessibility considered	Yes, on existing need, 25%	Yes, on existing need, 20%	Yes, on total allocation, 20%	No
Job accessibility considered	Yes, on existing need, 25%	No	No	No
Credit for recent building activity	No	Yes	No	No
Social equity adjustment	Minimum of 150%, Maximum of 180%	110% for existing need 150% for projected need	150% for total need	150% for total need
Additional AFFH component	Yes	No	No	No
Local input as a component	Yes	Yes	No	Yes

The draft RHNA methodology includes components many stakeholders expressed support for during the public comment period, particularly access to transit and inclusion of local input.<sup>6</sup> Additionally, the draft methodology includes components that were raised in a number of verbal and written comments, especially job accessibility and linkage to fair housing accessibility across disadvantaged populations. Hence, the draft RHNA methodology represents a collection of well supported factors while also including improvements based on submitted comments from the public.

- *Change to basis of transit accessibility (population within HQTAs) to 2045 HQTAs to determine existing need*  
The use of 2045, or projected, HQTAs in lieu of existing HQTAs allows for a better linkage to SCAG's Connect SoCal regional transportation plan.
- *Addition of job accessibility to determine existing need*  
An overwhelming number of comments verbal and written comments indicated that tying jobs to housing was a crucial part of regional planning and should be included in the draft methodology. After careful consideration of a variety of mechanisms, SCAG staff developed a formula based on each jurisdiction's share of jobs accessible within a 30-minute drive commute based on transportation analysis zones (TAZs) and the jurisdiction's 2045 population size. To strengthen the connection to the Connect SoCal plan, the draft methodology uses the number of jobs and locations based on modelling output from the Connect SoCal plan.
- *Addition of household growth to determine existing need*  
To ensure consistency with transit accessibility and job accessibility components, household growth between 2030 and 2045 was added as a factor in determining existing need. The use of household growth will support any planned infrastructure and amenity improvements needed to support employment and transit areas in 2045.
- *Removal of current population share to determine existing need*  
Including current population share while measuring job and transit accessibility using 2045 data will result in policy inconsistency among factors used to determine existing need. Basing current population share while using data for future employment and transit accessibility will result in gaps between infrastructure and other improvements needed to support job and transit growth.
- *Removal of permit activity to determine existing need*  
After careful review of several comments on this component, SCAG staff recommends that the draft RHNA methodology not include this as a factor for housing distribution. The primary reason is that the data source used to determine building activity, the Construction Industry Research Board (CIRB), may not be perfectly consistent with jurisdictions' own records of new residential units added. Some jurisdictions may end up with a higher or lower report on new

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<sup>6</sup> SCAG staff acknowledges that not all stakeholders have expressed support for these components and that there is difficulty in achieving a complete consensus due to the sheer number of stakeholders involved and affected in the SCAG region.



residential units added and would add unnecessary burden on jurisdictions to prove or disprove data as reported by CIRB. For the sake of accuracy and transparency, this component was removed from the recommended draft RHNA methodology.

- *Inclusion of AFFH in determining income categories*

Several comments indicated that household income should not be the sole factor in determining the distribution of housing need across the region in order to further State housing objectives. The inclusion of an additional social equity adjustment based on the concentration of resource availability through Opportunity Index scoring will promote the objective of AFFH. Assigning more affordable housing to high resource areas will increase access to fair housing and mitigate historical patterns of segregation while reducing overconcentration of low income households in communities where they already exist.

### The Role of Local Input

The role of local input, or more accurately, SCAG's Integrated Growth Forecast reviewed by local jurisdictions, in the RHNA methodology has been raised in a large number of submitted comments. Some stakeholders support the use of household growth collected through the Growth Forecast process to varying degrees. Of those who support this component, many expressed that it should be the only factor while others contend that it should not determine the entire draft RHNA allocation. Conversely, other stakeholders have expressed that the Growth Forecast should not have any role in distribution the RHNA allocation.

While past RHNA cycles have used SCAG's Growth Forecast as the main component of determining a RHNA allocation, there has been an increased statutory emphasis on other factors such as aligning transit accessibility and increasing housing supply near employment with RHNA distribution. For this reason, the RHNA methodology should not be solely based on this component.

Despite the limitations of using local input to the Growth Forecast as the only factor in the RHNA methodology, it is equally important not to completely exclude it from the methodology. SCAG's 2020 Connect SoCal Growth Forecast has been developed over multiple years using multiple data sources, including the California Department of Finance (DOF) and the American Community Survey (ACS) and included extensive review by panels of experts and partner agencies. The use of the Growth Forecast at the jurisdictional level in determining projected need also ensures the RHNA allocation is aligned and consistent with Connect SoCal, a requirement of SB 375. Input from local jurisdictions is an important step in strengthening the Growth Forecast to ensure that relevant local concerns and conditions are reflected at the jurisdictional level. The Connect SoCal Growth Forecast captures household growth at the jurisdictional level. The RHNA methodology adds on an important policy layer, among others, assigning the total units into four RHNA income categories, as further described above.

Additionally, the RHNA methodology also requires consideration of local planning factors, such as agreements to preserve agricultural land and open space, farmworker housing, and presence of universities and colleges. These factors do not apply to all jurisdictions but the process of collecting local input on the Growth Forecast integrates these important considerations and provides a mechanism for integrating them into the RHNA allocation methodology. Local input provides a key role in identifying existing and future planning opportunities and constraints, and should have a role in the RHNA methodology.

## Meeting the Objectives of RHNA

Government Code Section 65584.04(a) requires that the proposed RHNA methodology furthers the five objectives of the Regional Housing Needs Assessment. The following section provides an analysis of how the proposed methodology furthers these objectives.

- (1) Increasing 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.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (4) Allocating 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 American Community Survey.
- (5) Affirmatively furthering fair housing.
  - (e) For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Draft Methodology Component	1: Increasing housing supply and mix of housing types	2: Promoting infill development and encouraging protection of open space and encouragement of efficient development patterns	3: Promoting intraregional relationship between jobs and housing	4: Avoiding overconcentration of income groups	5: Affirmatively furthering fair housing (AFFH)
Household growth	Yes				
Job accessibility		Yes	Yes		
Transit accessibility		Yes			
Redistribution of “residual” existing housing need		Yes	Yes	Yes	Yes
Social equity adjustment				Yes	Yes
AFFH adjustment				Yes	Yes

The draft RHNA methodology distribution furthers all five objectives outlined in State housing law through its multiple distribution components.

- Using projected household growth: Objective 1*

The inclusion of local input on SCAG’s Growth Forecast for household growth between 2020 and 2030 will increase housing supply and mix of housing types, along with promoting infill development. Collected from the local input process, projected household and population growth forms the basis of the concurrent Connect SoCal (2020 Regional Transportation Plan/Sustainable Communities Strategy) development patterns. Local input reflects opportunities and constraints at the jurisdictional level, including preserving open space and agricultural resources and strategies to help reduce regional greenhouse gas emissions. The inclusion of local input to help determine projected household growth allows for the RHNA allocation to accommodate local efforts in meeting regional housing objectives.

Concurrently, inclusion of local input on projected household or population growth ensures that the resulting RHNA allocation is consistent with the development pattern of the Sustainable Communities Strategy, per Government Code Section 65584.04(m). Solely relying on household growth as the basis for RHNA methodology, which is the fundamental

mechanism of the proposed methodology option 3, does not meet all of the objectives of State housing law and thus was one of the primary reasons it was not recommended as the draft methodology.

Assigning existing housing need based on share of household growth ensures that no single jurisdiction is over-burdened with the region's existing needs. This regional approach accommodates the fact that existing need indicators, such as overcrowding and cost-burdened households, are not confined to jurisdictional boundaries. This regional-based distribution promotes an equitable approach to housing need and emphasizes that the housing crisis is a regional problem. This will increase housing supply and mix of housing types, and also encourages protection of open space due to consideration of planning factors reviewed through local input.

- *Transit Accessibility: Objective 2*

As well as being a regionally equitable approach, assigning need based on a jurisdiction's share of the region's population within HQTAs promotes additional objectives of State housing law. Linking regional housing planning to regional transportation and land use planning will increase housing supply and mix of housing types, promotes infill development, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets. Moreover, the linkage to HQTAs used in the Connect SoCal plan ensures consistency with the development pattern of the Sustainable Communities Strategy, per Government Code Section 65584.04(m).

Moreover, assigning need based on a jurisdiction's share of the region's population within HQTAs promotes an improved relationship between jobs and housing, particularly for low wage jobs and affordable housing. The linkage of housing to HQTAs will increase access to jobs particularly for lower income households. For the full results of the jobs housing balance and fit analyses and maps, please refer to the appendix of the draft RHNA methodology.

- *Job Accessibility: Objectives 2 and 3*

The draft RHNA methodology assigns part of existing need directly based on job accessibility. This factor furthers not only the objective of promoting an intraregional relationship between jobs and housing, but also encourages more efficient development patterns by encouraging more housing near employment areas, which will avoid increasing commute times regionally. Similarly, increasing access to jobs also increases housing supply and types in these areas due to the promotion of a more efficient development pattern.

- *Redistribution of "Residual" Existing Housing Need: Objectives 2, 3, 4, and 5*

Existing need that is above a jurisdiction's 2045 household growth will be redistributed back to jurisdictions based on two main factors – transit accessibility and job accessibility. This redistribution strengthens the linkage between the RHNA process and SCAG's Connect SoCal transportation and land use plan, which encourages more efficient development patterns to reduce greenhouse gas emissions, and furthers the housing objective of improving the relationship between jobs and housing.

Moreover, the redistribution of existing need exempts redistribution to extremely disadvantaged jurisdictions as identified by their low levels of resource. This furthers the objectives of avoiding overconcentration of income groups and affirmatively furthering fair housing since the additional lower income units would be assigned to areas that are identified as having more access to resources than disadvantaged jurisdictions.

- *Social Equity Adjustments: Objectives 4 and 5*

The social equity adjustments applied to existing need and projected need meet the socioeconomic equity and affirmatively furthering fair housing objectives of State housing law. By redistributing income categories across each county, a social equity adjustment avoids assigning additional need in income categories where there is already a high concentration. The higher the percentage used for social equity adjustment, the more accelerated the applied change over the eight-year planning period. This component promotes a mix of housing types, tenure, and affordability, along with socioeconomic equity and affirmatively furthering fair housing and a higher percentage accelerates these objectives.

Additionally, the percentage-based adjustment requires that areas that have a high concentration of higher income households also accommodate lower income households. This mechanism promotes a mix of housing types, tenure, and affordability, along with socioeconomic equity. This component increases the efforts to overcome patterns of segregation and remove barriers that restrict access to opportunity based on protected characteristics.

- *AFFH Adjustment: Objectives 4 and 5*

The TCAC Opportunity Indices include several measures in determining resource levels in different census tracts across the SCAG region. These measures are based on three domains: health and environment, education, and economics, which cover eleven (11) different indicators that measure local conditions relating to racial segregation and concentration of poverty. The inclusion of the Opportunity Indices in the draft RHNA methodology furthers the objectives of AFFH by increasing access to housing opportunity and addressing historical segregation patterns. By extending the use of the Opportunity Indices, it mitigates the overconcentration of income groups by shifting a higher percentage of low income households to areas with higher income and resource areas.

Additionally, the AFFH adjustment also promotes the intraregional relationship between jobs and housing, particularly the balance between low-wage jobs to housing affordable to low-wage workers. The Opportunity Indices' economic domain includes a job proximity factor based on the typical commute distance of low-wage workers. Areas that are marked as higher resource will receive a higher percentage of lower income categories to ensure that affordable housing is accommodated for and linked to low-wage jobs.

## Local Planning Factors

As part of the development of the proposed RHNA methodology, SCAG must conduct a survey of planning factors that identify local conditions and explain how each of the listed factors are incorporated into the proposed methodology. The survey was distributed to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. One-hundred and nine (109) jurisdictions, or approximately 55%, submitted a response to the local planning factor survey. To facilitate the conversation about local planning factors, between October 2017 and October 2018 SCAG included these factors as part of the local input survey and surveyed a binary yes/no as to whether these factors impacted jurisdictions. The formal local input survey was pre-populated with the pre-survey answers to help facilitate survey response. The full packet of local planning factor surveys can be downloaded at [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

SCAG staff reviewed each of the submitted surveys to analyze planning factors opportunities and constraints across the region. The collected information was used to ensure that the methodology will equitably distribute housing need and that underlying challenges as a region are collectively addressed.

*(1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate, based on readily available data, of the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate, based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.*

The draft RHNA methodology directly considers job accessibility and determines a portion of housing need for each jurisdiction based on this factor. Using transportation analysis zones as a basis, the percentage of jobs accessible within a 30 minute drive for a jurisdiction's population is determined and then weighted based on the jurisdiction's population size to determine individual shares of regional jobs accessible. Based on a review of other potential mechanisms to factor in jobs into the RHNA methodology, SCAG staff has determined that this mechanism most closely aligns with the goals of State housing law.

One specific mechanism considered relied on setting an ideal ratio of jobs to housing for each jurisdiction and then assigning housing need based on this ratio. However, SCAG staff concluded that there is not a one-size-fits-all jobs to housing ratio for each jurisdiction and a comparison of ratios across the region will not accurately portray established commute sheds that cross jurisdictional boundaries. Notably, a worker residing near a city boundary may work in another city, complicating the integrity of an arbitrary jobs to housing ratio for the jurisdiction.

In regard to furthering the objective of increasing access to affordable housing in proximity to low-wage jobs, there are data limitations in determining an appropriate jobs housing fit, or jobs accessible to low wage workers. SCAG staff reviewed U.S. Census data (from Longitudinal Employer-Household Dynamics, or LEHD Origin-Destination Employment Statistics – LODES) that examined low wage workers and low wage jobs and concluded that

basing a total RHNA allocation on this factor may not provide an accurate snapshot of spatial relationships between low wage jobs and affordable housing. Among the limitations are that the study did not include owner-occupied housing due to data complications and that low wage jobs were defined as those paying approximately \$15,000 annually, which creates a definition of low wage that is too narrow for much of the SCAG regional population. Additionally, in the circumstance of a worker holding two or more jobs, only the highest paying job is counted. These limitations would result in an analysis that will miss the bigger picture of assigning affordable housing since both the available data on low wage workers and low wage jobs provide an incomplete story on spatial and economic relationships.

However the draft RHNA methodology does consider job proximity for low-wage workers in determining distribution by income categories rather than determining the RHNA total. This is accomplished through the use of the TCAC Opportunity Indices, which include job proximity specifically for the number of jobs filled by workers with less than a bachelor's degree. Usage of Opportunity Indices furthers the objective of promoting an improved intraregional relationship between low-wage jobs and affordable housing in each jurisdiction. Generally, low-wage workers tend to commute shorter distances than higher-wage employees due to constraints on mode and cost of travel, though a higher reliance on public transit may lead to longer travel times. Areas identified as high resource areas will receive a higher percentage of affordable housing units, which will improve job access for low income earners and households.

In addition, SCAG conducted an analysis of jobs housing balance, which is a ratio of total jobs to housing units, and its Index of Dissimilarity (IOD), based on historical trends between 2012 and 2017, and on SCAG Growth Forecast projections between 2020 and 2030 at the jurisdictional, county, and regional levels. Rather than rely solely on the ratio of jobs to housing, the analysis reviewed historical and projected trends to determine whether the jobs housing balance is worsening or improving. A separate analysis on historical data for jobs housing fit, or ratio of low wage jobs to affordable rental units, was prepared though there is insufficient data to determine trends for projected jobs housing fit.

At the jurisdictional level, between 2012 and 2017 the jobs and housing balance worsened by 1.9%, and is expected to worsen again between 2020 and 2030 by 2.0%. The historical trend for jobs housing fit also weakened by 1.4% between 2012 and 2017 at the jurisdictional level.

At the county level, between 2012 and 2017 the jobs housing balance improved by 4.8%. While the projected balance is expected to improve between 2020 and 2030, the improvement is at a much smaller rate at 1.3%. Additionally, the historical trend for jobs housing fit worsened by 7.2% between 2012 and 2017 at the county level.

At the regional level, the analysis revealed that the jobs housing balance between 2012 and 2017 worsened by 5.0%, though between 2020 and 2030 the ratio is expected to improve by 1.9%. The historical jobs housing fit for the region worsened by less than 1% between 2012 and 2017.



The results of the jobs housing balance and jobs housing fit analysis indicate that while there is marginal improvement in linking housing to jobs at the regional level in the following decade, the historical trend illustrates that the balance worsened at a greater rate than it is predicted to improve in the future. At the jurisdictional level the balance will progressively worsen in the future in comparison to its historical trend. Additionally, while the overall jobs housing balance improved at the county level between 2012 and 2017, jobs housing fit worsened at a higher rate than progress made for the overall jobs housing balance.

An analysis of low wage jobs to low wage workers at the jurisdictional level outlines areas in the SCAG region that could be considered “affordable housing poor” -- that is, jurisdictions that have a higher number of low wage jobs in comparison to housing affordable to low wage workers. While it would be easy to conclude that these areas need more affordable housing, a more meaningful interpretation is that a distribution pattern based solely on historical household growth may not be the most equitable method of distribution to determine housing need in respect to job housing balance.

The draft methodology appendix contains estimates of the number of low-wage jobs within the jurisdiction, how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate of projected job growth and projected household growth by income level within each member jurisdiction. Maps illustrating job accessibility are also located within the data appendix. For the full results of the jobs housing balance and fit analyses and maps, please refer to the appendix of the draft RHNA methodology.

*(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:*

*(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.*

*(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.*

*(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was*

*approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.*

*(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.*

Consideration of the above planning factors have been incorporated into the growth forecast process and results by way of analysis of aerial land use data, general plan, parcel level property data, open space, agricultural land and resource areas, and forecast surveys distributed to local jurisdictions. The bottom-up Local Input and Envisioning Process, which is used as the basis for both RHNA and SCAG's Connect SoCal (Regional Transportation Plan/Sustainable Communities Strategy) started with an extensive outreach effort involving all local jurisdictions regarding their land use and development constraints. All local jurisdictions were invited to provide SCAG their respective growth perspective and input. The draft methodology directly incorporates local input on projected household growth, which should be a direct reflection of local planning factors such as lack of water or sewer capacity, FEMA-designated flood sites, and open space and agricultural land protection.

Prior RHNA cycles did not promote direct linkage to transit proximity and the draft methodology encourages more efficient land use patterns by utilizing existing transportation infrastructure and preserves areas designated as open space and agricultural lands. In particular the inclusion of transit proximity places an increased emphasis on infill opportunities and areas that are more likely to support higher residential densities.

*(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.*

As indicated above, the Growth Forecast used as the basis for the Connect SoCal Plan is also used as the basis for projected household growth in the draft methodology. The weighting of a jurisdiction's population share within an HQTAs directly maximizes the use of public transportation and existing transportation infrastructure.

*(4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.*

This planning factor has been identified through the local input process and survey collection as affecting growth within Ventura County. The urban growth boundary, known as Save Our Agricultural Resources (SOAR), is an agreement between the County of Ventura

and its incorporated cities to direct growth toward incorporated areas, and was recently extended to 2050. Based on the input collected, SCAG staff has concluded that this factor is already reflected in the draft RHNA methodology since it was incorporated into the local input submitted by jurisdictions. O

- (5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.*

The conversion of low income units into non-low income units is not explicitly addressed through the distribution of existing and projected housing need. Staff has provided statistics in the proposed methodology appendix on the potential loss of units in assisted housing developments. The loss of such units affects the proportion of affordable housing needed within a community and the region as a whole.

Local planning factor survey responses indicate that the impact of this factor is not regionally uniform. Many jurisdictions that replied some units are at-risk for losing their affordability status in the near future have indicated that they are currently reviewing and developing local resources to address the potential loss. Based on this, SCAG staff has determined that at-risk units are best addressed through providing data on these units as part of the proposed RHNA methodology and giving local jurisdictions the discretion to address this factor and adequately plan for any at-risk unit loss in preparing their housing elements.

- (6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.*

An evaluation of survey responses reveals that cost-burdened households, or those who pay at least 30 percent of their household income on housing costs, is a prevalent problem throughout the region. The proposed methodology also includes in its appendix data from the ACS 2013-2017 on cost-burdened statistics for households who pay more than 30 percent of their income on housing by owner and renter, and for renter households who pay 50 percent or more of their income on housing. The general trend is seen in both high and low income communities, suggesting that in most of the SCAG region high housing costs are a problem for all income levels.

Nonetheless a large number of jurisdictions indicated in the survey that overpaying for housing costs disproportionately impacts lower income households in comparison to higher income households. This issue is exacerbated in areas where there is not enough affordable housing available, particularly in higher income areas. For this reason, the draft RHNA methodology incorporates not only a 150 percent social equity adjustment, but also uses the TCAC Opportunity Indices to distribute the RHNA allocation into the four income categories in areas identified as being the highest resource areas of the region. The Opportunity Indices include a proximity to jobs indicator, particularly for low-wage jobs,

which identifies areas with a high geographical mismatch between low wage jobs and affordable housing. Increasing affordable housing supply in these areas can help alleviate cost-burden experienced by local lower income households because more affordable options will be available.

The reason for using social equity adjustment and opportunity indices to address cost-burden households rather than assigning total need is because it is impossible to determine through the methodology how and why the cost-burden is occurring in a particular jurisdiction. Cost-burdened is a symptom of housing need and not its cause. A jurisdiction might permit a high number of units but still experiences cost-burden because other jurisdictions restrict residential permitting. Or, a jurisdiction might have a large number of owner-occupied housing units that command premium pricing, causing cost-burden for high income households and especially on lower income households due to high rents from high land costs. An analysis of existing need indicators by jurisdiction, which is part of the draft methodology data appendix, does not reveal a single strong trend to base a distribution methodology for cost-burden and thus the draft methodology distributes this existing need indicator regionally using social equity adjustment and Opportunity Indices rather than to where the indicators exist.

*(7) The rate of overcrowding.*

An evaluation of survey responses indicates that there is a variety of trends in overcrowding throughout the region. Overcrowding is defined as more than 1.01 persons per room (not bedroom) in a housing unit. Some jurisdictions have responded that overcrowding is a severe issue, particularly for lower income and/or renter households, while others have responded that overcrowding is not an issue at all. At the regional determination level HCD applied an overcrowding component, which is a new requirement for the 6<sup>th</sup> RHNA cycle. Because

Similar to cost-burden, overcrowding is caused by an accumulated housing supply deficit and is considered an indicator of existing housing need. The reason for not assigning need directly based on this indicator is because it is impossible to determine through the methodology how and why the overcrowding is occurring in a particular jurisdiction. A jurisdiction that has an overcrowding rate higher than the regional average might be issuing more residential permits than the regional average while the surrounding jurisdictions might not have overcrowding issues but issue fewer permits than the regional average. An analysis of existing need indicators by jurisdiction, which is part of the draft methodology data appendix, does not reveal a single strong trend to base a distribution methodology for overcrowding and thus the draft methodology distributes this existing need indicator regionally rather than to where the indicators exist.

While not specifically surveyed, several jurisdictions have indicated that density has affected their jurisdictions and have requested that the draft methodology should consider this as a factor. SCAG staff has included data on the density of jurisdictions in the draft methodology technical appendix.

While density is not directly addressed as a factor, the social equity adjustment indirectly addresses density particularly for lower income jurisdictions. In housing elements, jurisdictions most demonstrate that a site is affordable for lower income households by applying a “default density”, defined in State housing law as either 20 or 30 dwelling units per acre depending on geography and population. In other words, a site that is zoned at 30 dwelling units per acre is automatically considered as meeting the zoning need for a low income household. There is not a corresponding default density for above moderate income zoning. Assigning a lower percentage of lower income households than existing conditions indirectly reduces future density since the jurisdiction can zone at lower densities if it so chooses. While this result does not apply to higher income jurisdictions, directing growth toward less dense areas for the explicit purpose of reducing density is in direct contradiction to the objectives of state housing law, especially for promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development pattern.

*(8)The housing needs of farmworkers.*

The draft methodology appendix provides data on agricultural jobs by jurisdiction as well as workers by place of residence. The survey responses indicate that most jurisdictions do not have agricultural land or only have small agricultural operations that do not necessarily require designated farmworker housing. For the geographically concentrated areas that do have farmworker housing, responses indicate that many jurisdictions already permit or are working to allow farmworker housing by-right in the same manner as other agricultural uses are allowed. Jurisdictions that are affected by the housing needs of farmworkers can be assumed to have considered this local factor when submitting feedback on SCAG’s Growth Forecast, also known as local input.

Similar to at-risk units, the draft methodology does not include a distribution mechanism to distribute farmworker housing. However, SCAG has provided data in its draft methodology appendix related to this factor and encourages local jurisdictions to adequately plan for this need in their housing elements.

*(9)The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.*

SCAG staff has prepared a map outlining the location of four-year private and public universities in the SCAG region along with enrollment numbers from the California School Campus Database (2018). Based on an evaluation of survey responses that indicated a presence of a university within their boundaries, SCAG staff concludes that most housing needs related to university enrollment are addressed and met by dormitories provided by the institution both on- and off-campus. No jurisdiction expressed concern in the surveys about student housing needs due to the presence of a university within their jurisdiction.

However, some jurisdictions have indicated outside of the survey that off-campus student housing is an important issue within their jurisdictions and are in dialogue with HCD to determine how this type of housing can be integrated into their local housing elements.

Because this circumstance applies to only a handful of jurisdictions, it is recommended that housing needs generated by a public or private university be addressed in the jurisdiction's housing element if it is applicable.

*(10)The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.*

Replacement need, defined as units that have been demolished but not yet replaced, are included as a component of projected housing need in the draft RHNA methodology. To determine this number, HCD reviewed historical demolition permit data between 2008 and 2017 (reporting years 2009 and 2018) as reported by the California Department of Finance (DOF), and assigned SCAG a regional replacement need of 0.5% of projected and existing need, or 34,010 units.

There have been several states of emergency declared for fires in the SCAG region that have destroyed residential units, as indicated by several jurisdictions in their local planning factor survey responses. Survey responses indicate that a total of 1,785 units have been lost regionally from fires occurring after January 1, 2018. Units lost from fires that occurred prior to January 1, 2018, have already been counted in the replacement need for the 6<sup>th</sup> RHNA cycle.

In Spring 2019, SCAG conducted a replacement need survey with jurisdictions to determine units that have been replaced on the site of demolished units reported. Region wide 23,545 of the region's demolished units still needed to be replaced based on survey results. The total number of units needing to be replaced based on the replacement need survey and the number of units reported as lost due to recent states of emergency, or 25,330, is lower than HCD's regional determination. One can reasonably conclude that units lost based on this planning factor are already included in the regional total and distributed, and thus an extra mechanism to distribute RHNA based on this factor is not necessary to meet the loss of units.

*(11)The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.*

An assessment of survey responses indicate that a number of jurisdictions in the SCAG region are developing efforts for more efficient land use patterns and zoning that would result in greenhouse gas emissions. These include a mix of high-density housing types, neighborhood based mixed-use zoning, climate action plans, and other local efforts to reduce greenhouse gas emissions at the regional level.

The draft RHNA methodology includes a distribution of 25 percent of regional existing need based on a jurisdiction's share of regional population within an HQT. The linkage between housing planning and transportation planning will allow for a better alignment between the

RHNA allocation plan and the Connect SoCal RTP/SCS. It will promote more efficient development land use patterns, encourage transit use, and importantly reduce greenhouse gas emissions. This will in turn support local efforts already underway to support the reduction of regional greenhouse gas emissions.

Moreover the draft methodology includes local input as a distribution component. Local input is a basis for SCAG's Connect SoCal Plan, which addresses greenhouse gas emissions at the regional level since it is used to reach the State Air Resources Board regional targets.

*(12) Any other factors adopted by the council of governments that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.*

No other planning factors were adopted by SCAG to review as a specific local planning factor.

## **Affirmatively Furthering Fair Housing (AFFH)**

Among a number of changes due to recent RHNA legislation is the inclusion of affirmatively furthering fair housing (AFFH) as both an addition to the listed State housing objectives of Government Section 65588 and to the requirements of RHNA methodology as listed in Government Code Section 65584.04(b) and (c), which includes surveying jurisdictions on AFFH issues and strategies and developing a regional analysis of findings from the survey.

### AFFH Survey

The AFFH survey accompanied the required local planning factor survey and was sent to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. Ninety (90) of SCAG's 197 jurisdictions completed the AFFH survey, though some jurisdictions indicated that they would not be submitting the AFFH survey due to various reasons. The full packet of surveys submitted prior to the development of the proposed methodology packet can be downloaded at [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

Jurisdictions were asked various questions regarding fair housing issues, strategies and actions. These questions included:

- Describe demographic trends and patterns in your jurisdiction over the past ten years. Do any groups experience disproportionate housing needs?
- To what extent do the following factors impact your jurisdiction by contributing to segregated housing patterns or racially or ethnically-concentrated areas of poverty?
- To what extent do the following acts as determinants for fair housing and compliance issues in your jurisdiction?
- What are your public outreach strategies to reach disadvantaged communities?
- What steps has your jurisdiction undertaken to overcome historical patterns of segregation or remove barriers to equal housing opportunity?

The survey questions were based on the U.S. Department of Housing and Urban Development (HUD) Analysis of Impediments to Fair Housing Choice survey that each jurisdiction, or their designated local Housing Authority, must submit to HUD to receive Community Development Block Grant (CDBG) funds. For the AFFH survey, jurisdictions were encouraged to review their HUD-submitted surveys to obtain data and information that would be useful for submitting the AFFH survey.

Pursuant to Government Code Section 65584.04(c), the following is an analysis of the survey results.

### *Themes*

Several demographic themes emerged throughout the SCAG region based on submitted AFFH surveys. A high number of jurisdictions indicated that their senior populations are increasing and many indicated that the fixed income typically associated with senior populations might have an effect on housing affordability. Other jurisdictions have experienced an increase in minority populations, especially among Latino and Asian groups. There is also a trend of the loss of young adults (typically younger than 30) and a decrease in the number of families with children in more suburban locations due to the rise in housing costs.

### *Barriers*



There was a wide variety of barriers reported in the AFFH survey, though a number of jurisdictions indicated they did not have any reportable barriers to fair access to housing. Throughout the SCAG region, communities of all types reported that community opposition to all types of housing was an impediment to housing development. Sometimes the opposition occurred in existing low income and minority areas. Some jurisdictions indicated that high opportunity resource areas currently do not have a lot of affordable housing or Section 8 voucher units while at the same time, these areas have a fundamental misunderstanding of who affordable housing serves and what affordable housing buildings actually look like. Based on these responses, it appears that community opposition to housing, especially affordable housing and the associated stigma with affordable housing, is a prevalent barrier throughout the SCAG region.

Other barriers to access to fair housing are caused by high land and development costs since they contribute to very few affordable housing projects being proposed in higher opportunity areas. The high cost of housing also limits access to fair housing and is a significant contributing factor to disparities in access to opportunity. Increasing property values were reported across the region and some jurisdictions indicated that they are occurring in existing affordable neighborhoods and can contribute to gentrification and displacement. Additionally, during the economic downturn a large number of Black and Latino homeowners were disproportionately impacted by predatory lending practices and therefore entered foreclosure in higher numbers than other populations.

Other barriers reported in the AFFH survey include the lack of funding available to develop housing after the dissolution of redevelopment agencies in 2012. Moreover, some jurisdictions indicated that the lack of regional cooperation contributes to segregation.

#### *Strategies to Overcome Barriers*

All submitted AFFH surveys indicated that their respective jurisdictions employed at least a few strategies to overcome barriers to access fair housing. These strategies ranged from local planning and zoning tools to funding assistance to innovative outreach strategies.

In regard to planning and zoning tools, a number of jurisdictions indicated they have adopted inclusionary zoning ordinances or an in-lieu fee to increase the number of affordable units within their jurisdictions. Others have adopted an accessory dwelling unit (ADU) ordinance with accommodating standards to allow for higher densities in existing single-family zone neighborhoods. A few jurisdictions indicated that they have adopted an unpermitted dwelling unit (UDU) ordinance, which legalizes unpermitted units instead of removing them provided that the units meet health and safety codes. In addition to ADU and UDU ordinances, some jurisdictions have also adopted density bonuses, which allow a project to exceed existing density standards if it meets certain affordability requirements. Some responses in the survey indicate that the establishment of some of these tools and standards have reduced community opposition to projects. In addition, some jurisdictions responded that they have reduced review times for residential permit approvals and reduced or waived fees associated with affordable housing development.

To combat gentrification and displacement, some jurisdictions have established rent-stabilization ordinances while others have established a rent registry so that the jurisdiction can monitor rents

and landlord practices. Some jurisdictions have adopted relocation plans and others are actively seeking to extend affordability covenants for those that are expiring.

In regard to funding, SCAG jurisdictions provide a wide variety of support to increase the supply of affordable housing and increase access to fair housing. A number of jurisdictions provide citywide rental assistance programs for low income households and some indicated that their programs include favorable home purchasing options. Some of these programs also encourage developers to utilize the local first-time homebuyer assistance program to specifically qualify lower income applicants.

Other jurisdictions indicate that they manage housing improvement programs to ensure that their existing affordable housing stock is well maintained. Some AFFH surveys describe local multiple rental assistance programs, including Section 8 Housing Choice vouchers and financial support of tenant/landlord arbitration or mediation services.

Some jurisdictions indicated that they have focused on mobile homes as a way to increase access to fair housing. There are programs described that assist households that live in dilapidated and unsafe mobile homes in unpermitted mobile home parks by allowing the household to trade in their mobile home in exchange for a new one in a permitted mobile park. Other programs include rental assistance specifically for households who live in mobile homes.

In regard to community outreach, a large number of jurisdictions in the SCAG region have established or are seeking to establish innovative partnerships to increase access to fair housing and reduce existing barriers. Many jurisdictions work with fair housing advocacy groups such as the Housing Rights Center, which provide community workshops, counseling, and tenant-landlord mediation services. Other jurisdictions have established landlord-tenant commissions to resolve housing disputes and provide services to individuals with limited resources. Some jurisdictions have partnered with advocacy groups, such as the League of United Latin American Citizens (LULAC), to hold community-based workshops featuring simultaneous multi-lingual translations. Other innovative partnerships created by jurisdictions include those with local schools and school districts and public health institutions to engage disadvantaged groups and provide services to areas with limited resources.

A large number of jurisdictions have also indicated that they have increased their social media presence to reach more communities. Others have also increased their multi-lingual outreach efforts to ensure that limited-English proficiency populations have the opportunity to engage in local fair housing efforts.

Based on the AFFH surveys submitted by jurisdictions, while there is a wide range of barriers to fair housing opportunities in the SCAG region there is also a wide range of strategies to help overcome these barriers at the local level.

Meeting AFFH Objectives on a Regional Basis

To work towards the objective of AFFH, several benchmarks were reviewed as potential indicators of increasing access to fair housing and removing barriers that led to historical segregation patterns.

Opportunity Indices

The objectives of affirmatively furthering fair housing are to not only overcome patterns of segregation, but to also increase access to opportunity for historically marginalized groups, particularly in racially and ethnically concentrated areas of poverty. In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act.

In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act. In late 2017, a Task Force convened by HCD and the California Tax Credit Allocation Committee (TCAC) released an “Opportunity mapping” tool based on these HUD indices to identify areas in California that can “offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.”

The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. Regional patterns of segregation can be identified based on this tool. The indices are based on indicators such as poverty levels, low wage job proximity, pollution, math and reading proficiency. Below is a summary table of the 11 indices sorted by type:

Economic	Environment	Education
Poverty	CalEnviroScreen 3.0 indicators	Math proficiency
Adult education	<ul style="list-style-type: none"> <li>• <i>Ozone</i></li> </ul>	Reading proficiency
Employment	<ul style="list-style-type: none"> <li>• <i>PM2.5</i></li> </ul>	High school graduation rates
Low-wage job proximity	<ul style="list-style-type: none"> <li>• <i>Diesel PM</i></li> </ul>	Student poverty rate
Median home value	<ul style="list-style-type: none"> <li>• <i>Drinking water contaminates</i></li> <li>• <i>Pesticides</i></li> <li>• <i>Toxic releases from facilities</i></li> <li>• <i>Traffic density</i></li> <li>• <i>Cleanup sites</i></li> <li>• <i>Groundwater threats</i></li> <li>• <i>Hazardous waste</i></li> <li>• <i>Impaired water bodies</i></li> <li>• <i>Solid waste sites</i></li> </ul>	

To further the objectives of AFFH, SCAG utilizes the Opportunity indices tool at multiple points in the recommended draft RHNA methodology. Jurisdictions that have the highest concentration of population in low resource areas are exempted from receiving regional residual existing need, which

will result in fewer units assigned to areas identified as having high rates of poverty and racial segregation. Additionally, jurisdictions with the highest concentration of population within highest resource areas will receive a higher social equity adjustment, which will result in more access to opportunity for lower income households.

## Public Engagement

The development of a comprehensive RHNA methodology requires comprehensive public engagement. Government Code Section 65584.04(d) requires at least one public hearing to receive oral and written comments on the proposed methodology, and also requires SCAG to distribute the proposed methodology to all jurisdictions and requesting stakeholders, along with publishing the proposed methodology on the SCAG website. The official public comment period on the proposed RHNA methodology began on August 1, 2019 after Regional Council action and concluded on September 13, 2019.

To maximize public engagement opportunities, SCAG staff hosted four public workshops to receive verbal and written comment on the proposed RHNA methodology and an additional public information session in August 2019:

- August 15, 6-8 p.m. Public Workshop, Los Angeles (View-only webcasting available)
- August 20, 1-3 p.m. Public Workshop, Los Angeles (Videoconference at SCAG regional offices and View-only webcasting available)
- August 22, 1-3 p.m., Public Workshop, Irvine
- August 27, 6-8 p.m., Public Workshop, San Bernardino (View-only webcasting available)
- August 29, 1-3pm Public Information Session, Santa Clarita

Approximately 250 people attended the workshops in-person, at videoconference locations, or via webcast. Over 35 individual verbal comments were shared over the four workshops.

To increase participation from individuals and stakeholders that are unable to participate during regular working hours, two of the public workshops were held in the evening hours. One of the workshops was held in the Inland Empire. SCAG will work with its Environmental Justice Working Group (EJWG) and local stakeholder groups to reach out to their respective contacts in order to maximize outreach to groups representing low income, minority, and other traditionally disadvantaged populations.

Almost 250 written comments were submitted by the comment deadline and included a wide range of stakeholders. Approximately 50 percent were from local jurisdictions and subregions, and the other 50 percent were submitted by advocacy organizations, industry groups, residents and resident groups, and the general public. All of the comments received, both verbal and written, were reviewed by SCAG staff, and were used as the basis for developing the draft RHNA methodology.

The increased involvement by the number of jurisdictions and stakeholders beyond the municipal level compared to prior RHNA cycles indicate an increased level of interest by the public in the housing crisis and its solutions, and the efforts of SCAG to meet these interests. As part of its housing program initiatives, SCAG will continue to reach out to not only jurisdictions, but to advocacy groups and traditionally disadvantaged communities that have not historically participated in the RHNA process and regional housing planning. These efforts will be expanded beyond the RHNA program and will be encompassed into addressing the housing crisis at the regional level and ensuring that those at the local and community level can be part of solutions to the housing crisis.