

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

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No. 3 MEETING OF THE

**REGIONAL HOUSING NEEDS
ASSESSMENT SUBCOMMITTEE**

***Tuesday, April 19, 2011
10:00 a.m. – 12:30 p.m.***

SCAG San Bernardino Office
1170 W. 3rd Street, Ste. 140
San Bernardino, CA 92410
(909) 806-3556

Teleconference Available

1498 Main Street
El Centro, CA 92243

Videoconference Available

Los Angeles Office
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017

Ventura Office
950 County Square Drive, Suite 101
Ventura, CA 93003

Orange County Office
600 S. Main Street, Suite 906
Orange, CA 92863

Coachella Valley Association of Governments
73-710 Fred Waring Drive, Ste. 200
Palm Desert, CA 92260

Riverside Office
3403 10th Street, Suite 805
Riverside, CA 92501

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Ed Rodriguez at (213) 236-1863 or via email rodrigu@scag.ca.gov

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The Regional Council is comprised of 84 elected officials representing 190 cities, six counties, six County Transportation Commissions and a Tribal Government representative within Southern California.

**Regional Housing Needs Assessment Subcommittee
Member List**

- San Bernardino County: Hon. Bill Jahn, Big Bear Lake, District 11 (Alternate): **Chair**
Hon. Ginger Coleman, Apple Valley, District 65 (Primary)
- Los Angeles County: Hon. Margaret Finlay, Duarte, District 35 (Primary)
Hon. Steven Hofbauer, Palmdale, District 43 (Alternate)
- Orange County: Hon. Sukhee Kang, Irvine, District 14 (Primary)
Hon. Ron Garcia, Brea, OCCOG (Alternate)
- Riverside County: Hon. Darcy Kuenzi, Menifee, WRCOG (Primary)
Hon. Randon Lane, Murrieta, WRCOG (Alternate)
- Ventura County: Hon. Bryan MacDonald, Oxnard, District 45 (Primary)
Hon. Carl Morehouse, Ventura, District 47 (Alternate)
- Imperial County: Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)
Hon. Jack Terrazas, Imperial County (Alternate)

REGIONAL HOUSING NEEDS ASSESSMENT SUBCOMMITTEE AGENDA APRIL 19, 2011

The Regional Housing Needs Assessment (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 & PLEDGE OF ALLEGIANCE

(Hon. Bill Jahn, Chair)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Subcommittee, must fill out and present a speaker's card to the Assistant prior to speaking. Comments will be limited to three minutes. The Chair may limit the total time for all comments to twenty minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Time Page No.

Approval Items/Receive and File

1. Minutes of March 22, 2011 Meeting 1

INFORMATION ITEMS

2. Changes to Housing Element Compliance Requirements Attachment 20 mins. 8
(Ma'Ayn Johnson, SCAG Staff)
3. AB 2158 and Local Planning Factors Attachment 25 mins. 11
(Ma'Ayn Johnson, SCAG Staff)
4. Draft RHNA Methodology Framework Attachment 45 mins. 15
(Frank Wen, SCAG Staff)

ACTION ITEMS

5. RHNA Subcommittee Meeting Schedule Attachment 10 mins. 38

Recommended Action: Determine a monthly standing meeting date for future subcommittee meetings.

REGIONAL HOUSING NEEDS ASSESSMENT SUBCOMMITTEE AGENDA APRIL 19, 2011

6. Subregional Delegation Guidelines Attachment 30 mins. 42
(*Joann Africa, Chief Counsel*)

Recommended Action: Review and provide direction to staff regarding the draft Guidelines for Subregional Delegation.

CHAIR'S REPORT

STAFF REPORT

(*Mark C. Butala, SCAG Staff*)

ANNOUNCEMENTS

ADJOURNMENT

The next regular meeting of the Regional Housing Needs Assessment Subcommittee will be determined at the April 19 meeting.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT SUBCOMMITTEE
MINUTES OF MEETING NO. 2
MARCH 22, 2011**

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 IN THE OFFICE OF REGIONAL COUNCIL SUPPORT.

The Regional Housing Needs Assessment Subcommittee (RHNA) of the Southern California Association of Governments (SCAG) held its meeting at the SCAG Los Angeles Office. The meeting was called to order by Chair Bill Jahn. There was a quorum.

Present

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary)

Hon. Steven Hofbauer, Palmdale, District 43 (Alternate)

Representing Orange County

Hon. Sukhee Kang, Irvine, District 14 (Primary) - via videoconference

Hon. Ron Garcia, Brea, OCCOG (Alternate)

Representing Riverside County

Hon. Darcy Kuenzi, Menifee, WRCOG (Primary) - via videoconference

Hon. Randon Lane, Murrieta, WRCOG (Alternate) - via videoconference

Representing San Bernardino County

Hon. Ginger Coleman, Apple Valley, District 65 (Primary) - via videoconference

Hon. Bill Jahn, Big Bear Lake, District 11 (Alternate); **Chair**

Representing Ventura County

Hon. Carl Morehouse, Ventura, District 47 (Alternate) – via videoconference

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District I (Primary) – via videoconference

Not Present

Hon. Bryan MacDonald, Oxnard, District 45 (Primary)

Hon. Jack Terrazas, Imperial County (Alternate)

Staff Present

Hasan Ikhata, Executive Director
 Douglas Williford, Deputy Executive Director, Planning & Programs
 Joann Africa, Chief Counsel
 Huasha Liu, Director, Land Use and Environmental Planning
 Joseph Carreras, Program Manager, Housing
 Frank Wen, Manager of Research, Analysis & Information Services
 Ma'Ayn Johnson, Senior Regional Planner

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Bill Jahn called the meeting to order at 9:34 a.m. and led the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

There were no public comments.

REVIEW AND PRIORITIZE AGENDA ITEMS

There were no comments regarding the agenda items.

CONSENT CALENDAR

Chair Jahn asked for a motion to accept the consent calendar. Hon. Margaret Finlay, representing Los Angeles County, asked for a Minutes revision to page 4, paragraph 7, to replace the word "conscious" with "conscience". Chair Jahn asked for a motion to accept the consent calendar with revision. Hon. Ron Garcia, representing Orange County offered the motion and it was seconded by Hon. Margaret Finlay. There were no objections and the motion passed. The following items were received and filed:

1. Minutes of February 23, 2011 meeting
2. RHNA Information

ACTION ITEMS

3. RHNA Subcommittee Meeting Schedule

Chair Jahn stated the purpose of this item is to determine a standing day of the week for the Subcommittee to meet as well as a hold date in case a second monthly meeting is needed. Hon. Carl Morehouse, representing Ventura County, asked if he had voting rights since Mr. MacDonald is not present. Joann Africa, Chief Counsel, stated he does have voting rights today as Mr. MacDonald is absent. Chair Jahn polled the Subcommittee members regarding their availability. Having achieved consensus, Chair Jahn, stated the Subcommittee agreed to meet the third Tuesday of

each month and if an additional meeting is needed it will be held on the first Tuesday of the month. Chair Jahn also stated the Subcommittee agreed in the previous meeting to rotate the meeting locations among the member counties. Chair Jahn stated SCAG Staff will work on a rotation for meeting locations.

Chair Jahn asked for a motion to approve the future Subcommittee schedule. Hon. Margaret Finlay, representing Los Angeles County, offered the motion and it was seconded by Hon. Ginger Coleman, representing San Bernardino County. The motion passed without objection.

4. Proposed Revised RHNA Subcommittee Charter

Chair Jahn stated the Subcommittee Charter was first discussed during the February 23, 2011 meeting. During that meeting the Subcommittee requested revisions to the Charter including adding reference that the decisions of the Subcommittee serve as recommendations to the CEHD Committee and Regional Council, provide an option for Subcommittee members to excuse themselves from discussion and voting on revision requests and appeals submitted by individual local jurisdiction and authorizing the Chair to select a Vice-Chair for the Subcommittee.

Joann Africa, Chief Counsel, stated revisions were made to the Charter as requested by the Subcommittee during the February 23, 2011 meeting. Ms. Africa stated, in addition to the changes stated by Chair Jahn, she proposes two other modifications. The first involves adding to the statement regarding Chair's delegation of a Vice-Chair. The current statement reads, "The Chair of the RHNA Subcommittee shall preside over all meetings and may select another Subcommittee member to serve as Vice-Chair." Ms. Africa will add to that statement, "in the Chair's absence."

Ms. Africa further stated the current Attendance Policy in the Regional Council Policy Manual also applies to the RHNA Subcommittee. Ms. Africa suggested the addition of the following, "The Attendance Policy as set forth by the Regional Council Policy Manual shall apply to the meetings of the RHNA Subcommittee." Ms. Africa further stated the Policy Manual indicates that a Subcommittee member who misses three meetings may be removed at the discretion of the President.

Chair Jahn asked the Subcommittee members for their feedback on the Charter revisions. Hon. Ginger Coleman, representing San Bernardino County, stated the first paragraph, second sentence that reads, "The decisions of the RHNA will...." should read "The decisions of the RHNA Subcommittee...."

There were no further comments from the Subcommittee regarding the revised Charter. Hon Cheryl Viegas-Walker, representing Imperial County, offered a motion to accept the revised Charter and it was seconded by Hon. Darcy Kuenzi, representing Riverside County. There were no objections and the motion passed.

Ms. Africa noted the revised Subcommittee Charter will go to the CEHD Committee on April 7, 2011 for their approval.

INFORMATION ITEMS

5. Subregional RHNA Delegation

Douglas Williford, Deputy Executive Director, began by prefacing that the discussion on subregional delegation will take place during today's meeting and the next meeting in April, and will present information and review the Subcommittee's questions and comments. Mr. Williford further stated during the next meeting on April 19, 2011 the Subcommittee will be asked to make decisions regarding subregional delegation.

Joann Africa, Chief Counsel, presented a report on subregional delegation. Ms. Africa explained the definition of a subregional entity under RHNA law and stated RHNA law, per Government Code 65584.03, allows SCAG to delegate the RHNA process to a subregional entity. Ms. Africa stated in the previous RHNA cycle the cities of Los Angeles and San Fernando formed a subregion. Ms. Africa noted subregions for RHNA purposes follow different guidelines than those formed for SCAG purposes.

Chair Jahn asked for questions and comments from the Subcommittee. Hon. Steven Hofbauer, representing Los Angeles County, asked if County approval is needed. Ms. Africa stated the cities do not need approval from the County as long as there is approval to form a subregional entity from their respective City Councils.

Hasan Ikhata, Executive Director, asked about the instance where a city chooses to not join its Council of Governments in accepting subregional delegation. Ms. Africa stated that situation would not prevent the COG from forming a subregion and that particular city is not required to participate as part of that subregion.

Hon. Ron Garcia, representing Orange County, asked about a potential situation where the city chooses not to participate as part of a subregion and is left without representation. Mr. Ikhata stated in that case the city would still be represented by the RHNA Subcommittee member from their County.

Hon. Sukhee Kang, representing Orange County, asked if the procedures in the previous RHNA cycle were the same as those being established for the current cycle. Ms. Africa stated the law was the same, but in the previous effort SCAG needed to complete the cycle in less than one year, and that some actions did not take place in the previous cycle that will be required during the current cycle. Ms. Africa stated in the previous RHNA cycle three entities took subregional delegation: Ventura COG, South Bay COG and the cities of Los Angeles and San Fernando.

Mike Behen, City of Palmdale, indicated their subregion is made up of two districts. Mr. Behen asked if those districts can move forward with delegation. Ms. Africa stated as long as cities are contiguous they can form a subregion.

Hon. Larry McCallon, SCAG President, stated if a city did not join a subregion, that city would fall under the general SCAG RHNA process regarding methodology, revisions and appeals.

Hon. Steven Hofbauer, representing Los Angeles County, asked if cities can form a subregion if they are not contiguous. Ms. Africa stated, under the RHNA provisions they could not and the boundary requirements of a SCAG subregion is not the same as a RHNA subregion.

Hon. Paula Lantz, City of Pomona, asked about the role of the RHNA Subcommittee in relation to subregional entities. Ms. Africa stated subregions will work with the RHNA Subcommittee to develop the RHNA process.

Ms. Africa stated, under the RHNA law, a subregional entity seeking delegation must notify SCAG at least 28 months before the Housing Element update and would need to present SCAG with a Notice of Intent to take delegation by June 30, 2011. Ms. Africa indicated SCAG would begin negotiating an agreement for that entity to take on subregional delegation and indicated SCAG would like to receive a resolution from the entities before completing the agreement.

Ms. Africa stated subregions taking RHNA delegation will be tasked with all the responsibilities in the process, which will be reflected in the delegation agreement. Ms. Africa further stated if a subregional entity does not meet the terms of the agreement their RHNA allocation would be done by SCAG.

Hon. Carl Morehouse, representing Ventura County, asked about financial assistance to subregions. Hasan Ikhrata, Executive Director, stated in the previous RHNA cycle \$20,000 was made available to each subregion, which represents only a small portion of the total cost related to delegation.

Hon. Carl Morehouse, representing Ventura County, asked if subregional delegation exempts the subregion when a housing reallocation takes place. Ms. Africa stated a subregion is exempt from reallocations that are issued from SCAG, however, there may be reallocation within their subregion.

Hon. Margaret Finlay, representing Los Angeles County, asked if two cities need to be contiguous to form a subregion. Hasan Ikhrata, Executive Director, stated the cities do need to be contiguous, however, they do not need to be within the same county.

Chair Jahn asked if subregional representatives attending the meeting wished to make a comment. Roderick Burnley, City of West Hollywood, stated the Westside COG

also contains Culver City, Santa Monica and Beverly Hills, however, none of those cities are contiguous unless the City of Los Angeles links them. Mr. Burnley asked, given its geography, if any of the Westside COG cities could seek subregional delegation without the City of Los Angeles. Mr. Ikhata indicated they would need participation from the City of Los Angeles in order to form a subregional entity.

Ms. Africa indicated \$200,000 has been set aside to provide financial support to RHNA subregional entities. This is to be divided evenly among the 196 cities and counties with approximately \$1,000 designated for each city in the subregion accepting delegation.

Mr. Ikhata stated there are distinct advantages to accepting delegation. Mr. Ikhata further added a subregion will receive a total allocation from SCAG according to state law and methodology and it is up to the subregion to distribute housing by income categories.

Hon. Mary Ann MacGillivray, City of Sierra Madre, stated Sierra Madre's Housing Element from the previous RHNA cycle is now being approved by the state and they do not anticipate doing another one for five years. Ms. MacGillivray asked about 2013 Housing Element and how it fits into their planning.

Douglas Williford, SCAG Staff, stated Sierra Madre would update their Housing Element according to the late 2013 date. Mr. Ikhata stated SCAG attempted to push back the RHNA process two years but was unable.

Huasha Liu, SCAG Staff, asked the Subcommittee to be aware of the new provision in the bill that indicates if any jurisdiction is late with their Housing Elements the 8 year cycle will become a 4 year cycle.

Naomi Guth, City of Los Angeles, asked if there are only a few areas accepting subregional delegation, could the remaining funds be disbursed among those entities. Chair Jahn stated the Subcommittee would review this request and return a decision at a later meeting.

Chair Jahn stated there will be further discussion on subregional delegation in the next meeting and encouraged Subcommittee members to review the material in preparation for any action required.

6. Update on Integrated Growth Forecast

Frank Wen, SCAG Staff, presented an update on the Integrated Growth Forecast. Mr. Wen stated this is a follow up on the February RHNA meeting when the Subcommittee was briefed on the differences between the Census count and Department of Finance's (DOF) forecast. The 2010 Census figure for the SCAG

region was almost 1 million lower (5.1%) than SCAG's preliminary projection based on population estimates from DOF.

Mr. Wen stated on March 4, 2011 the Employment Development Department released its employment figures for 2010. Mr. Wen further stated a graph was created showing total employment of 7.21 million was 3.3% less than SCAG's preliminary projection of 7.46 million. Additionally, job losses were more severe in Los Angeles, Orange and Ventura counties.

Hon. Paula Lantz, City of Pomona, asked what the Subcommittee should understand from these figures. Douglas Williford, SCAG Staff, indicated the Subcommittee will be using the Census figures as they are deemed to be the correct numbers. The DOF numbers are seen as a guide.

Hon. Margaret Finlay, representing Los Angeles County, asked if the DOF figures will be used for any particular purpose. Huasha Liu, SCAG Staff, stated the results of applying census numbers means that future growth projections will be adjusted downward which will ultimately affect the RHNA numbers and it will require that base year and future years projections data be adjusted.

CHAIR'S REPORT

Chair Jahn updated the Subcommittee on the efforts to retain Councilman Jon Edney to serve as a facilitator to the RHNA Subcommittee and to assist the implementation and development of RHNA. Chair Jahn stated the contract is still being prepared and reviewed its terms, such as the amount, schedule, and responsibilities. Mr. Edney will be required to submit an update to the CEHD and Regional Council as part of his service agreement. Chair Jahn stated these are the terms being considered and negotiations for Mr. Edney's services are ongoing.

FUTURE AGENDA ITEMS

No future agenda items were discussed.

ADJOURNMENT

There being no further business, the Regional Housing Needs Assessment Subcommittee meeting adjourned at 11:20 a.m.



Huasha Liu
Director, Land Use and
Environmental Planning

REPORT

AGENDA ITEM #

2

DATE: April 19, 2011
TO: Regional Housing Needs Assessment (RHNA) Subcommittee
FROM: Ma'Ayn Johnson, Senior Regional Planner, 213-236-1975, johnson@scag.ca.gov
SUBJECT: Changes to Housing Element Compliance Requirements

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:

For Information Only - No Action Required.

EXECUTIVE SUMMARY:

There have been several changes to housing element update requirements due to recent legislation. These changes affect the housing element update schedule, along with penalties for jurisdictions that do not submit a housing element on time and for those whose housing elements do not have demonstrate an adequate sites and zoning analysis.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:

All jurisdictions in California are required by state law to complete a housing element update as part of their respective General Plans. The housing element update has several components that address current and projected housing needs. One of the primary components is the sites and zoning analysis requirement, in which a jurisdiction must demonstrate where all of its assigned RHNA allocation would occur, along with policies to support the zoning. The jurisdiction is then required to submit its housing element to the California Department of Housing and Community Development (HCD) for approval.

Under the provisions of SB 375, the housing element update schedule has been extended from 5 years to 8 years in order to synchronize with the Regional Transportation Plan (RTP) process, which occurs every 4 years. The housing element due date for jurisdictions is determined as 18 months after the final adoption of the RTP. SCAG staff anticipates the next RTP will be adopted in April 2012, meaning that housing elements are due in October 2013. Based on this timeline, the final RHNA is anticipated to be adopted in October 2012.

The prior housing element due date was July 2008 and covered the period between 2008 and 2014. The upcoming housing element will span 2013 through 2021. Although there is overlap between the two cycles, jurisdictions will be required to submit a new housing element in October 2013.

There are several new requirements for housing elements that affect jurisdictions with overdue housing elements or with housing elements not approved by HCD:

REPORT

- Four-year Housing Element: Any local government that does not adopt a housing element within 120 days after the statutory deadline falls out of the 8-year cycle and instead must adopt a housing element every 4 years (Government Code Section 65588 (e)(4)(A)).
 - For the 5th revision cycle, this would mean a jurisdiction that does not adopt a housing element by February 2014 must adopt a housing element in 2017 and again in 2021.
- Prior RHNA Non-Compliance: AB 1233 (2005) requires that jurisdictions whose housing elements do not meet state housing law zoning requirements identify adequate sites from the prior planning period *within the first year of the new planning period*. This pertains both to jurisdictions that failed to adopt a housing element and to jurisdictions whose housing elements do not meet sites and zoning requirements. The unaccommodated need of the prior planning period is in addition to the allocated need of the new planning period; jurisdictions may not count capacity on the same sites for both planning periods (Government Code Section 65584.09).
 - For the upcoming housing element update, jurisdictions that did not submit an adequate sites and zoning analysis in their 4th housing element update must zone for the unmet need in the 5th update, in addition to its allocation for the 5th RHNA cycle.
- On-time, but Non-Compliant: If HCD does not approve a housing element, all necessary rezonings must be completed within 3 years after its adoption, or 90 days after the local government receives its comments from HCD, whichever occurs first. The deadline may be extended by 1 year if the local government has completed the rezoning at densities sufficient to accommodate at least 75 percent of its low income households and meets certain factors (Government Code Section 65583 (c)(1)(A) and (f)).

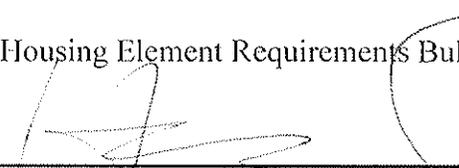
FISCAL IMPACT:

Work associated with this item is included in the current FY 10-11 General Fund Budget (11-800.0160.03:RHNA).

ATTACHMENT:

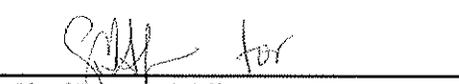
1. Changes to Housing Element Requirements Bulletin

Reviewed by:



Department Director

Reviewed by:



Chief Financial Officer

WHAT'S NEW

APRIL 7, 2011

Changes to Housing Element Requirements

SB 375 has changed several requirements for local jurisdiction housing element updates for the 2012 RHNA currently underway. SCAG anticipates a final RHNA adoption in October 2012 and the corresponding housing elements are due by October 2013. Although the current housing element cycle ends in 2014, jurisdictions must submit a new housing element in October 2013. Changes to the housing element include:

- The housing element planning period has been extended from 5 years to 8 years.
- If a jurisdiction fails to rezone or identify sufficient sites, it will be required to carry over any leftover housing units in the first year of its next housing element update, in addition to meeting its assigned housing units for the next housing element cycle.
- For jurisdictions that do not submit a housing element within 120 days after the due date, housing element updates revert to a 4 year cycle.
- If HCD does not approve a housing element, the jurisdiction must redo the appropriate rezoning within 3 years after its adoption, or 90 days after it receives comments from HCD, whichever comes first.

SCAG is dedicated to ensuring a fair and transparent RHNA process and we hope you find this information to be useful to your jurisdiction during the development of your housing element. If you have any questions, please contact Ma'Ayn Johnson, at 213-236-1975, or johnson@scag.ca.gov.

REPORT

DATE: April 19, 2011
TO: Regional Housing Needs Assessment (RHNA) Subcommittee
FROM: Ma'Ayn Johnson, Senior Regional Planner, 213-236-1975, johnson@scag.ca.gov
SUBJECT: AB 2158 and Local Planning Factors

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:

For Information Only - No Action Required.

EXECUTIVE SUMMARY:

As part of RHNA process, SCAG is required by state housing law to conduct a survey of local planning factors that will be used to develop the RHNA methodology. These local planning factors, also known as the AB 2158 factors, survey all local jurisdictions regarding their land use opportunities and constraints. The last survey was conducted in 2006-2007 for the prior RHNA cycle. SCAG staff anticipates conducting the next survey in the summer months of 2011.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:

Per Government Code Section 65584.04(b), SCAG is required to conduct a survey of each of its jurisdictions regarding planning factors that will affect RHNA household distribution. These factors, also referred to as the AB 2158 factors, provide SCAG input that may affect a jurisdiction's forecasted household growth and distribution in RHNA methodology. According to state housing law, the survey cannot be conducted earlier than six months from the public hearing on proposed RHNA methodology. For the 2012 RHNA, staff anticipates a public hearing on proposed RHNA methodology in October 2011, meaning that the AB 2158 factors survey can be conducted no earlier than April 2011.

There are thirteen (13) factors that jurisdictions might consider as part of the AB 2158 factors survey, all of which are specified in state housing law:

Existing and projected job housing balance	Lack of capacity for sewer or water service
Availability of land suitable for urban development	Lands protected from urban development under existing programs
County policies to preserve agricultural land within an unincorporated area	The distribution of household growth assumed for the Regional Transportation Plan and opportunities to maximize existing transportation infrastructure
The loss of low-income housing units in assisted housing developments	The market demand for housing

REPORT

Agreements between a county and cities to direct growth toward unincorporated areas	High housing cost burdens
Housing needs of farm workers	Housing needs generated by the presence of a university

Other factors can be surveyed as well if they are adopted by the council of governments. SCAG is required to explain how each of these factors was incorporated into the RHNA methodology, and is permitted to include numerical weighting of the factors. However, per Government Code Section 65584.04 (f), SCAG cannot consider or determine a jurisdiction's local share using any ordinance, policy, or voter-approved measure that directly or indirectly limits the number of residential building permits issued by a jurisdiction.

While the 2007 Integrated Growth Forecast contained information on local planning factors prior to the survey, such as federally protected open space, the survey provided additional information as a result of fourteen (14) subregional public workshops. Input was provided by jurisdictions both during and after the workshops.

Most recently, as part of the Sustainable Communities Strategy (SCS) subregional planning sessions held from January through March 2011, SCAG distributed a local planning factors survey corresponding to the AB 2158 factors survey. The input is currently under review and staff will develop the AB 2158 factor survey based on submitted feedback. Factors currently not specified as a factor are under consideration for the survey and will be discussed within the coming months at the Plans & Programs Technical Advisory Committee (P&P TAC) before further evaluation and recommendations from the RHNA Subcommittee.

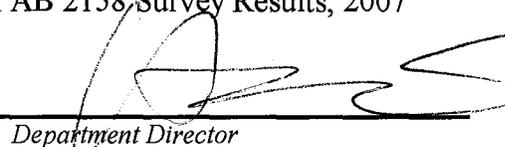
FISCAL IMPACT:

Work associated with this item is included in the current FY 10-11 General Fund Budget (11-800.0160.03:RHNA).

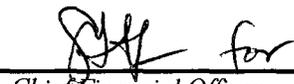
ATTACHMENT:

1. List of AB 2158 Factors
2. Example of AB 2158 Survey Results, 2007

Reviewed by:


Department Director

Reviewed by:


Chief Financial Officer

AB 2158 Factors

As part of its development of proposed RHNA allocation methodology, SCAG is required by state housing law to consider factors that could affect a jurisdiction's RHNA allocation. Known as the AB 2158 factors, the factors are listed under Government Code 65584.04 (d) and SCAG is required to survey the following:

1. Existing and projected jobs and housing relationship, i.e., the jobs and housing balance of a jurisdiction
2. Lack of capacity for sewer or water service due to external factors beyond the jurisdiction's control that preclude the jurisdiction from providing necessary infrastructure for additional development
3. 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 density. SCAG cannot solely consider local zoning ordinances or land use restrictions in determining suitable available land
4. Lands protected by federal or state programs, including open space, farmland, or environmental habitats
5. County policies to preserve farmland within an unincorporated area
6. Household growth distribution assumed for the RTP and opportunities to maximize existing transit infrastructure
7. The loss of low-income housing units in assisted housing developments due to contract expirations or termination of use restrictions
8. The market demand for housing
9. Agreements between a county and cities in a county to direct growth towards incorporated areas
10. High-housing cost burdens
11. Farmworker housing needs
12. Student housing needs generated by a university within any member jurisdiction
13. Other factors adopted by SCAG

It is important to note that these factors cannot be used to reduce the total regional need. Moreover, SCAG cannot consider local policies or voter-approved measures that limit the number of residential building permits issued to reduce a jurisdiction's RHNA allocation.

Examples of AB 2158 Factor Responses from the 2007 RHNA

City	Factor Number	Map Revision/ Description of Input Received
La Puente	01	City has high residential and very low commercial projected balance indicates approx. 1.3 HH for every job
Moreno Valley	02	95% of the water is provided by Muni Water Dest. (MWD) not the city. City council cannot make decisions on water/sewer issues.
Yorba Linda	03	Santa Ana River flood plan protected from development
Westlake Village	04	Westlake Golf Course protected by a 200 year Williamson Act Easement
City of Culver City	06	Planning for growth at Washington/ National. Housing next to transit. Metro rapid bus routes opportunity for mixed use
Lake Forest	08	High demand county- wide. South Orange County is a desirable place to live.
Anaheim	13	Cemetery, marked here but not on 2035 scenario.

REPORT

DATE: April 19, 2011

TO: Regional Housing Needs Assessment (RHNA) Subcommittee

FROM: Frank Wen; Manager, Research, Analysis and Information Services; 213-236-1854;
wen@scag.ca.gov

SUBJECT: Draft RHNA Methodology Framework

EXECUTIVE DIRECTOR'S APPROVAL:**RECOMMENDED ACTION:**

For Information Only - No action to be taken.

EXECUTIVE SUMMARY:

SB375 requires that SCAG's 2012 Regional Transportation Plan (RTP) / Sustainable Communities Strategy (SCS) and Regional Housing Needs Assessment (RHNA) be developed under an integrated process—one process that will foster consistency between these policy initiatives and will also fulfill the multiple objectives required by applicable laws and planning regulations.

As the region's council of governments, SCAG is responsible for the development of 2012 RTP/SCS and allocation of the state-determined regional housing need to all jurisdictions that comprise the SCAG region, except for the delegate RHNA subregions¹.

BACKGROUND:

The complete and detail RHNA methodology for all related components is presented as Attachment 3 Technical Appendix to this report. Key RHNA methodology components are listed and summarized below:

- (1) Existing housing need
 - Meet the requirements with Census data and statistics from other sources for at-risk subsidized housing
- (2) Projected housing need for RHNA planning period
 - (2). 1 Total Regional Housing Need Determination
 - (2). 2 Allocation Methodology
 - The key policy consideration is the fair share/over concentration adjustment. In the 4th cycle of RHNA, the policy to address the fair share/over concentration adjustment is to move 110% towards the county distribution in each of its four income categories. (The income distribution of RHNA income categories using county median household income (MHI) from American Community Survey (ACS) 2005-09 5-year average for all local jurisdictions proposed to be used for this cycle (5th) of RHNA is attached as Attachment 1).

¹ Delegate subregions for RHNA purposes will determine their own allocation methodology and fair-share/over concentration income adjustment subject to the following outcomes as required by law: (1) Keep subregion total housing needs the same (or higher) as the need agreed with SCAG, and (2) When summed with other delegate subregions and the remaining jurisdictions in the respective county, the number of lower and very low income housing units have to be maintained at the county level, using county MHI.

REPORT

- (2). 2 (a). Non-delegate jurisdictions and whole SCAG region
- (2). 2 (b). Subregion delegation
 - o Delegate subregion will determine the methodology for local jurisdictions within the subregion
 - o Agree with SCAG on certain terms and conditions to ensure RHNA meet requirements of all applicable laws.
- (3) The interactions between the RHNA process and the RTP/SCS development process
 - a. Housing planning must be coordinated and integrated with the RTP
 - b. The allocation plan shall allocate housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy (SCS)
 - c. The SCS shall identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584 (RHNA)

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal and Objective:

Goal 4: Develop, Maintain and Promote the Utilization of State of the Art Models, Information Systems and Communication technologies

Objective B: Develop, maintain and enhance data and information to support planning and decision making in a timely and effective manner

FISCAL IMPACT:

Work on the Growth Forecast is programmed in the FY 2010-2011 SCAG Overall Work Program. The associated work elements are 11-055.SCG0133.01 and 11-055.SCG0133.05.

ATTACHMENT:

Attachment 1: The income distribution for five RHNA income categories using county median household income (MHI) from 2005-2009 American Community Survey (ACS) for all local jurisdictions

Attachment 2: Power Point Presentation

Attachment 3: Technical Appendix to Draft RHNA Methodology Framework Report for RHNA Subcommittee meeting on April 19, 2011

Reviewed by:



Department Director

Reviewed by:

Chief Financial Officer

Attachment 1

Household Distribution by RHINA Income Category Based on County Median Household Income (MHI) from American Community Survey 2005-09 5-Year Average

COUNTY	SUBREGION	CITY	Households	Households- Extreme Low Income	Households- Very Low Income	Households- Lower Income	Households- Moderate Income	Households- Above Moderate Income	Households- Extreme Low Income (%)	Households-Very Low Income (%)	Households- Lower Income (%)	Households- Moderate Income (%)	Households- Above Moderate Income (%)	Sub-Total: Low Income Group (%)
25	IMPERIAL COUNTY TRANSPORTATION COMMISSION	Brawley city	6,922	920	1,062	1,053	1,088	2,799	13%	15%	15%	16%	40%	44%
25	IMPERIAL COUNTY TRANSPORTATION COMMISSION	Calexico city	10,130	1,285	1,302	1,809	1,735	3,939	13%	13%	18%	17%	39%	44%
25	IMPERIAL COUNTY TRANSPORTATION COMMISSION	Calipatria city	938	95	89	152	140	462	10%	9%	16%	15%	49%	36%
25	IMPERIAL COUNTY TRANSPORTATION COMMISSION	El Centro city	13,261	1,607	1,855	1,896	1,967	5,936	12%	14%	14%	15%	45%	40%
25	IMPERIAL COUNTY TRANSPORTATION COMMISSION	Holtville city	1,636	167	210	333	267	659	10%	13%	20%	16%	40%	43%
25	IMPERIAL COUNTY TRANSPORTATION COMMISSION	Imperial city	3,791	224	257	497	556	2,257	6%	7%	13%	15%	60%	26%
25	IMPERIAL COUNTY TRANSPORTATION COMMISSION	Westmorland city	557	85	115	104	76	177	15%	21%	19%	14%	32%	55%
25	IMPERIAL COUNTY TRANSPORTATION COMMISSION	Unincorporated	9,169	1,079	1,363	1,426	1,347	3,954	12%	15%	16%	15%	43%	42%
		Imperial County, Total	46,404	5,462	6,253	7,330	7,176	20,183	12%	13%	16%	15%	43%	41%
37	NORTH LOS ANGELES COUNTY	Longaster city	42,030	7,174	5,026	6,471	8,098	15,261	17%	12%	15%	19%	36%	44%
37	NORTH LOS ANGELES COUNTY	Palmdale city	37,758	4,398	4,248	6,241	7,115	15,756	12%	11%	17%	19%	42%	39%
37	NORTH LOS ANGELES COUNTY	Santa Clarita city	55,002	3,635	3,766	5,495	7,826	34,280	7%	7%	10%	14%	62%	23%
37	NORTH LOS ANGELES COUNTY	Unincorporated	47,898	3,652	3,554	6,095	7,065	27,533	8%	7%	13%	15%	57%	28%
		Subregion, Total	182,688	18,859	16,594	24,302	30,104	92,830	10%	9%	13%	16%	51%	33%
37	CITY OF LOS ANGELES	Los Angeles city	1,298,350	216,161	168,905	215,800	210,577	487,707	17%	13%	17%	16%	38%	46%
37	CITY OF LOS ANGELES	San Fernando city	5,951	702	794	1,128	1,378	1,949	12%	13%	19%	23%	33%	44%
37	CITY OF LOS ANGELES	Unincorporated	5,836	1,064	967	1,157	1,115	1,534	18%	17%	20%	19%	25%	55%
		Subregion, Total	1,310,137	217,927	170,266	217,685	213,070	491,190	17%	13%	17%	16%	37%	46%
37	ARROYO VERDUGO	Burbank city	40,504	4,219	3,878	5,820	7,517	19,070	10%	10%	14%	19%	47%	34%
37	ARROYO VERDUGO	Glendale city	72,149	11,108	8,354	10,575	11,973	30,139	15%	12%	15%	17%	42%	42%
37	ARROYO VERDUGO	La Cañada Flintridge city	6,775	228	276	457	551	5,263	3%	4%	7%	8%	78%	14%
37	ARROYO VERDUGO	Unincorporated	7,226	542	421	746	1,224	4,293	8%	6%	10%	17%	58%	24%
		Subregion, Total	126,654	16,097	12,929	17,598	21,265	58,765	13%	10%	14%	17%	46%	37%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Alhambra city	29,086	3,676	3,332	5,207	5,420	11,451	13%	11%	18%	19%	39%	42%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Arcadia city	18,936	1,843	1,303	1,904	2,955	10,931	10%	7%	10%	16%	58%	27%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Atusa city	13,065	1,601	1,573	2,175	2,711	5,005	12%	12%	17%	21%	38%	41%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Baldwin Park city	17,713	1,979	2,341	3,303	3,971	6,119	11%	13%	19%	22%	35%	43%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Bradbury city	284	8	0	2	22	252	3%	0%	1%	8%	89%	4%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Claremont city	11,256	815	991	1,220	1,466	6,764	7%	9%	11%	13%	60%	27%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Covina city	14,894	1,202	1,460	2,316	2,689	7,227	8%	10%	16%	18%	49%	33%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Diamond Bar city	18,081	962	755	1,632	3,252	11,480	5%	4%	9%	18%	63%	19%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Duarte city	6,430	717	615	777	1,387	2,934	11%	10%	12%	22%	46%	33%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	El Monte city	29,116	4,341	4,858	6,247	5,557	8,113	15%	17%	21%	19%	28%	53%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Glendora city	16,438	1,188	1,120	2,158	2,646	9,325	7%	7%	13%	16%	57%	27%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Industry city	123	0	11	22	30	60	0%	9%	18%	24%	49%	27%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Irwindale city	373	31	39	51	78	174	8%	10%	14%	21%	47%	32%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	La Puente city	9,718	888	1,465	2,011	1,861	3,493	9%	15%	23%	19%	38%	45%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	La Verne city	11,872	1,121	897	1,285	1,972	6,597	9%	8%	11%	17%	56%	28%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Monrovia city	13,867	1,379	1,429	1,750	2,410	6,899	10%	10%	13%	17%	50%	33%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Montebello city	18,442	2,619	2,170	3,102	3,650	6,901	14%	12%	17%	20%	37%	43%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Monterey Park city	19,824	2,867	2,553	3,330	2,959	8,115	14%	13%	17%	15%	41%	44%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Pasadena city	54,668	7,231	5,639	7,052	8,670	26,082	13%	10%	13%	16%	48%	36%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Pomona city	38,689	4,889	4,914	7,188	7,835	13,863	13%	13%	19%	20%	36%	44%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Rosemead city	14,200	1,646	1,890	3,160	2,761	4,743	12%	13%	22%	19%	33%	47%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	San Dimas city	12,269	1,068	953	1,545	2,033	6,670	9%	8%	13%	17%	54%	29%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	San Gabriel city	12,621	1,670	1,438	1,969	2,327	5,217	13%	11%	18%	21%	41%	40%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	San Marino city	4,278	243	94	270	180	3,491	6%	2%	6%	4%	82%	14%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Sierra Madre city	4,566	342	337	399	620	2,868	7%	7%	9%	14%	63%	24%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	South El Monte city	4,976	781	697	1,164	1,012	1,322	16%	14%	23%	20%	27%	53%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	South Pasadena city	9,799	1,055	587	966	1,446	5,735	6%	6%	10%	15%	59%	27%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Temple City city	11,780	894	926	1,642	2,290	6,028	8%	8%	14%	19%	51%	28%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Walnut city	8,613	451	270	783	1,138	5,971	5%	3%	9%	13%	69%	17%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	West Covina city	30,411	2,437	2,999	4,095	5,429	15,451	8%	10%	13%	18%	51%	31%
37	SAN GABRIEL VALLEY ASSOCIATION OF CITIES	Unincorporated	95,794	8,537	8,435	12,865	16,990	48,909	9%	9%	13%	18%	51%	31%
		Subregion, Total	552,182	58,482	56,155	81,590	97,767	258,190	11%	10%	15%	18%	47%	36%

Household Distribution by RHNA Income Category Based on County Median Household Income (MHI) from American Community Survey 2005-09 5-Year Average

COUNTY	SUBREGION	CITY	Households	Households-Extreme Low Income	Households-Very Low Income	Households-Lower Income	Households-Moderate Income	Households-Above Moderate Income	Households-Extreme Low Income (%)	Households-Very Low Income (%)	Households-Lower Income (%)	Households-Moderate Income (%)	Households-Above Moderate Income (%)	Sub-Total: Low Income Group (%)
37	WESTSIDE CITIES	Beverly Hills city	14,415	1,518	1,118	1,305	2,012	8,462	11%	8%	9%	14%	59%	27%
37	WESTSIDE CITIES	Culver City city	16,278	1,625	1,222	2,011	2,541	8,879	10%	8%	12%	16%	55%	30%
37	WESTSIDE CITIES	Santa Monica city	45,441	6,347	4,166	5,059	6,697	23,172	14%	9%	11%	15%	51%	34%
37	WESTSIDE CITIES	West Hollywood city	23,423	4,416	2,550	3,609	3,727	9,120	19%	13%	15%	16%	39%	45%
37	WESTSIDE CITIES	Unincorporated	14,378	1,512	698	1,354	1,811	9,002	11%	5%	9%	13%	63%	25%
		Subregion, Total	113,934	15,418	9,754	13,338	16,788	58,635	14%	9%	12%	15%	51%	34%
37	SOUTH BAY CITIES ASSOCIATION	Carson city	24,727	1,894	1,978	3,322	4,604	12,929	8%	8%	13%	19%	52%	29%
37	SOUTH BAY CITIES ASSOCIATION	El Segundo city	7,105	552	374	831	807	4,541	8%	5%	12%	11%	64%	25%
37	SOUTH BAY CITIES ASSOCIATION	Gardena city	20,385	3,343	2,924	3,558	3,682	6,878	16%	14%	17%	18%	34%	48%
37	SOUTH BAY CITIES ASSOCIATION	Hawthorne city	27,432	4,243	3,856	5,567	5,390	8,374	15%	14%	20%	20%	31%	50%
37	SOUTH BAY CITIES ASSOCIATION	Hermosa Beach city	9,227	486	437	1,044	942	6,318	5%	5%	11%	10%	68%	21%
37	SOUTH BAY CITIES ASSOCIATION	Inglewood city	37,171	6,301	5,715	7,453	6,837	10,865	17%	15%	20%	18%	29%	52%
37	SOUTH BAY CITIES ASSOCIATION	Lawndale city	9,419	1,151	1,493	1,708	1,965	3,102	12%	16%	18%	21%	33%	46%
37	SOUTH BAY CITIES ASSOCIATION	Lomita city	7,634	783	752	1,031	1,258	3,810	10%	10%	14%	16%	50%	34%
37	SOUTH BAY CITIES ASSOCIATION	Manhatten Beach city	13,882	593	620	944	1,313	10,412	4%	4%	7%	9%	75%	16%
37	SOUTH BAY CITIES ASSOCIATION	Palos Verdes Estates city	4,817	147	87	167	434	3,982	3%	2%	3%	9%	83%	8%
37	SOUTH BAY CITIES ASSOCIATION	Rancho Palos Verdes city	14,419	653	667	937	1,553	10,609	5%	5%	6%	11%	74%	16%
37	SOUTH BAY CITIES ASSOCIATION	Redondo Beach city	28,358	1,866	1,672	2,363	3,762	18,695	7%	6%	8%	13%	66%	21%
37	SOUTH BAY CITIES ASSOCIATION	Rolling Hills city	613	8	24	40	41	500	1%	4%	7%	7%	82%	12%
37	SOUTH BAY CITIES ASSOCIATION	Rolling Hills Estates city	2,812	114	74	142	142	2,318	4%	3%	6%	5%	82%	13%
37	SOUTH BAY CITIES ASSOCIATION	Torrance city	54,299	4,484	4,440	6,396	8,837	30,142	8%	8%	12%	16%	56%	28%
37	SOUTH BAY CITIES ASSOCIATION	Unincorporated	30,746	5,247	3,922	5,629	5,198	10,651	17%	13%	18%	17%	35%	48%
		Subregion, Total	293,046	31,965	29,037	41,154	46,765	144,126	11%	10%	14%	16%	49%	35%
37	GATEWAY CITIES	Artesia city	4,397	505	497	907	806	1,682	11%	11%	21%	18%	38%	43%
37	GATEWAY CITIES	Avalon city	1,110	142	106	245	137	480	13%	10%	22%	12%	43%	44%
37	GATEWAY CITIES	Bell city	9,038	1,493	1,828	1,792	1,605	2,320	17%	20%	20%	18%	26%	57%
37	GATEWAY CITIES	Bellflower city	22,733	2,765	2,844	4,311	4,381	8,432	12%	13%	19%	19%	37%	44%
37	GATEWAY CITIES	Bell Gardens city	9,898	1,547	1,740	2,195	2,010	2,406	16%	18%	22%	20%	24%	55%
37	GATEWAY CITIES	Cerritos city	15,426	1,017	930	1,485	2,195	9,799	7%	6%	10%	14%	64%	22%
37	GATEWAY CITIES	Commerce city	3,307	570	332	568	843	994	17%	10%	17%	25%	30%	44%
37	GATEWAY CITIES	Compton city	22,358	4,036	3,272	4,398	4,394	6,256	18%	15%	20%	20%	28%	52%
37	GATEWAY CITIES	Cudahy city	5,429	755	774	1,338	1,290	1,272	14%	14%	25%	24%	23%	53%
37	GATEWAY CITIES	Downey city	32,095	3,161	3,425	5,622	5,820	14,067	10%	11%	18%	18%	44%	38%
37	GATEWAY CITIES	Hawaiian Gardens city	3,926	569	560	759	791	1,247	14%	14%	19%	20%	32%	48%
37	GATEWAY CITIES	Huntington Park city	14,796	2,757	2,696	3,733	2,515	3,095	19%	18%	25%	17%	21%	62%
37	GATEWAY CITIES	La Habra Heights city	1,923	80	110	123	179	1,431	4%	6%	6%	9%	74%	16%
37	GATEWAY CITIES	Lakewood city	24,912	1,385	1,841	2,883	4,331	14,472	6%	7%	12%	17%	58%	25%
37	GATEWAY CITIES	La Mirada city	14,694	1,178	1,108	1,640	2,064	8,704	8%	8%	11%	14%	59%	27%
37	GATEWAY CITIES	Long Beach city	160,971	24,089	19,794	27,155	28,487	61,446	15%	12%	17%	18%	38%	44%
37	GATEWAY CITIES	Lynwood city	14,280	2,215	1,924	3,132	2,820	4,189	16%	13%	22%	20%	29%	51%
37	GATEWAY CITIES	Maywood city	6,684	1,071	1,233	1,631	1,182	1,567	16%	18%	24%	18%	23%	59%
37	GATEWAY CITIES	Norwalk city	26,323	2,700	2,445	3,885	5,634	11,659	10%	9%	15%	21%	44%	34%
37	GATEWAY CITIES	Paramount city	14,516	2,208	2,232	2,946	3,216	3,914	15%	15%	20%	22%	27%	51%
37	GATEWAY CITIES	Pico Rivera city	16,243	1,826	1,995	2,326	2,980	7,116	11%	12%	14%	18%	44%	38%
37	GATEWAY CITIES	Santa Fe Springs city	4,968	740	536	712	970	2,010	15%	13%	14%	20%	40%	40%
37	GATEWAY CITIES	Signal Hill city	4,145	282	419	423	789	2,232	7%	10%	10%	19%	54%	27%
37	GATEWAY CITIES	South Gate city	23,750	3,339	3,719	5,091	5,000	6,601	14%	16%	21%	21%	28%	51%
37	GATEWAY CITIES	Vernon city	23	5	0	2	1	15	22%	0%	9%	4%	65%	30%
37	GATEWAY CITIES	Whittier city	26,818	2,384	2,653	3,798	4,711	13,272	9%	10%	14%	18%	49%	33%
37	GATEWAY CITIES	Unincorporated	82,123	12,956	12,279	16,263	15,122	25,502	16%	15%	20%	18%	31%	51%
		Subregion, Total	566,886	75,777	71,292	99,363	104,273	216,180	13%	13%	18%	18%	38%	43%
37	LAS VIRGENES	Agoura Hills city	7,872	329	313	484	1,088	5,658	4%	4%	6%	14%	72%	14%
37	LAS VIRGENES	Calabasas city	7,631	440	381	336	727	5,747	6%	5%	4%	10%	75%	15%
37	LAS VIRGENES	Hidden Hills city	638	9	4	11	19	595	1%	1%	2%	3%	93%	4%
37	LAS VIRGENES	Malibu city	5,156	341	364	357	518	3,576	7%	7%	7%	10%	69%	21%
37	LAS VIRGENES	Westlake Village city	3,254	162	84	301	316	2,391	5%	3%	9%	10%	73%	17%
37	LAS VIRGENES	Unincorporated	8,185	479	367	496	850	5,994	6%	4%	6%	10%	73%	16%
		Subregion, Total	32,736	1,760	1,513	1,985	3,518	23,961	5%	5%	6%	11%	73%	16%
		Los Angeles County, Total	3,178,264	436,285	367,539	497,015	533,549	1,343,876	14%	12%	16%	17%	42%	41%

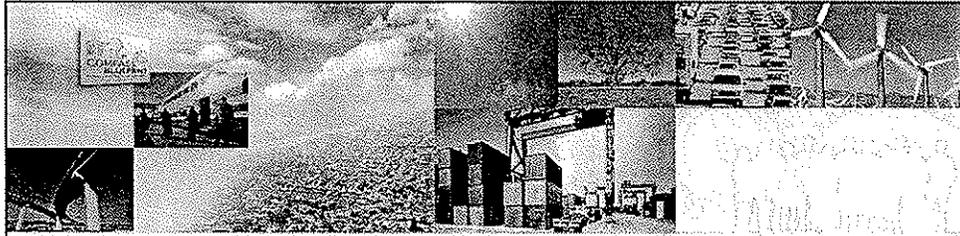
Household Distribution by RHNA Income Category Based on County Median Household Income (MHI) from American Community Survey 2005-09 5-Year Average

COUNTY	SUBREGION	CITY	Households	Households-Extreme Low Income	Households-Very Low Income	Households-Lower Income	Households-Moderate Income	Households-Above Moderate Income	Households-Extreme Low Income (%)	Households-Very Low Income (%)	Households-Lower Income (%)	Households-Moderate Income (%)	Households-Above Moderate Income (%)	Sub-Total: Low Income Group (%)
59	ORANGE COUNTY COG	Aliso Viejo city-	15,934	680	1,002	2,184	3,296	8,772	4%	6%	14%	21%	55%	24%
59	ORANGE COUNTY COG	Anaheim city	96,001	14,483	14,725	19,604	18,742	28,447	15%	15%	20%	20%	30%	51%
59	ORANGE COUNTY COG	Brea city	14,124	1,455	1,393	2,055	2,960	6,231	10%	10%	15%	21%	44%	35%
59	ORANGE COUNTY COG	Buena Park city	22,518	2,718	3,048	4,982	4,420	7,350	12%	14%	22%	20%	33%	48%
59	ORANGE COUNTY COG	Costa Mesa city	39,457	5,126	4,765	8,517	8,001	13,028	13%	12%	22%	20%	35%	47%
59	ORANGE COUNTY COG	Cypress city	15,554	1,573	1,358	2,457	3,198	6,968	10%	9%	16%	21%	45%	35%
59	ORANGE COUNTY COG	Dana Point city	14,821	1,540	1,355	2,593	2,409	6,924	10%	9%	17%	16%	47%	37%
59	ORANGE COUNTY COG	Fountain Valley city	18,540	1,931	1,537	2,720	3,862	8,490	10%	8%	15%	21%	46%	33%
59	ORANGE COUNTY COG	Fullerton city	44,364	6,388	5,793	7,506	8,423	16,254	14%	13%	17%	19%	37%	44%
59	ORANGE COUNTY COG	Garden Grove city	44,168	7,122	6,317	8,381	9,064	13,284	16%	14%	19%	21%	30%	49%
59	ORANGE COUNTY COG	Huntington Beach city	74,627	7,422	7,152	12,260	13,514	34,259	10%	10%	16%	18%	46%	36%
59	ORANGE COUNTY COG	Irvine city	71,241	8,476	4,885	8,480	12,385	37,015	12%	7%	12%	17%	52%	31%
59	ORANGE COUNTY COG	Laguna Beach city	11,241	1,239	966	1,375	1,654	6,047	11%	9%	12%	15%	54%	31%
59	ORANGE COUNTY COG	Laguna Hills city	10,615	972	950	1,524	1,930	5,439	9%	9%	12%	18%	51%	31%
59	ORANGE COUNTY COG	Laguna Niguel city	24,586	1,982	1,897	2,980	4,377	13,350	8%	8%	12%	18%	54%	28%
59	ORANGE COUNTY COG	Laguna Woods city	12,651	3,619	2,957	2,780	1,448	1,847	29%	23%	11%	15%	74%	
59	ORANGE COUNTY COG	La Habra city	18,057	2,251	2,348	3,894	5,820	5,644	12%	13%	22%	21%	31%	48%
59	ORANGE COUNTY COG	Lake Forest city	25,755	1,700	1,725	3,715	5,007	13,608	7%	7%	14%	19%	53%	28%
59	ORANGE COUNTY COG	La Palma city	4,786	461	360	735	940	2,290	10%	8%	15%	20%	48%	33%
59	ORANGE COUNTY COG	Los Alamitos city	4,189	544	429	536	1,052	1,628	13%	10%	13%	25%	39%	36%
59	ORANGE COUNTY COG	Mission Viejo city	33,503	2,464	2,761	4,769	5,941	17,568	7%	8%	14%	18%	52%	30%
59	ORANGE COUNTY COG	Newport Beach city	35,570	3,394	2,511	4,090	4,605	20,970	10%	7%	11%	13%	59%	28%
59	ORANGE COUNTY COG	Orange city	41,481	4,707	4,031	7,250	7,657	17,836	11%	10%	17%	18%	43%	39%
59	ORANGE COUNTY COG	Placentia city	15,958	1,764	1,984	2,269	3,070	6,871	11%	12%	14%	19%	43%	38%
59	ORANGE COUNTY COG	Rancho Santa Margarita city	16,598	959	794	2,316	3,036	9,499	6%	5%	14%	18%	57%	24%
59	ORANGE COUNTY COG	San Clemente city	23,196	2,444	2,080	3,600	3,587	11,485	11%	9%	16%	15%	50%	35%
59	ORANGE COUNTY COG	San Juan Capistrano city	11,516	1,405	942	1,841	1,592	5,736	12%	8%	14%	14%	50%	36%
59	ORANGE COUNTY COG	Santa Ana city	75,715	11,335	12,547	17,036	16,049	18,748	15%	17%	23%	21%	25%	54%
59	ORANGE COUNTY COG	Seal Beach city	12,662	2,786	2,255	2,001	1,766	3,854	22%	18%	16%	14%	30%	56%
59	ORANGE COUNTY COG	Stanton city	10,972	1,759	1,751	2,458	2,336	2,668	16%	16%	22%	21%	24%	54%
59	ORANGE COUNTY COG	Tustin city	24,126	2,379	2,440	4,960	4,732	9,615	10%	10%	21%	20%	40%	41%
59	ORANGE COUNTY COG	Willa Park city	2,091	37	62	213	221	1,498	2%	3%	10%	11%	74%	15%
59	ORANGE COUNTY COG	Westminster city	26,238	4,391	3,931	4,817	5,230	7,869	17%	15%	18%	20%	30%	50%
59	ORANGE COUNTY COG	Yorba Linda city	21,409	1,141	1,328	2,295	3,027	13,618	5%	6%	11%	14%	64%	22%
59	ORANGE COUNTY COG	Unincorporated	39,795	3,402	2,692	4,986	6,366	22,349	9%	7%	13%	16%	56%	28%
		Orange County, Total	973,999	116,043	107,091	164,079	179,727	407,059	12%	11%	17%	18%	42%	40%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Banning city	11,421	2,052	1,903	2,589	2,328	2,549	18%	17%	23%	20%	22%	57%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Beaumont city	9,281	1,169	976	1,514	1,532	4,090	13%	11%	16%	17%	44%	39%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Calimesa city	3,089	601	406	474	495	1,113	19%	13%	15%	16%	36%	48%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Canyon Lake city	3,798	261	188	474	480	2,395	5%	5%	12%	13%	63%	24%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Corona city	42,848	3,334	3,011	5,336	7,397	23,770	8%	7%	12%	17%	55%	27%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Hemet city	26,916	6,215	5,434	4,387	5,564	23%	20%	20%	16%	21%	63%	
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Lake Elsinore city	13,453	1,598	1,348	2,201	2,566	5,740	12%	10%	16%	19%	43%	38%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Menifee city	25,007	2,865	3,675	4,417	4,599	9,451	11%	15%	18%	18%	38%	44%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Moreno Valley city	48,703	5,271	5,122	8,735	10,135	19,440	11%	11%	18%	21%	40%	39%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Murrieta city	28,978	1,677	2,241	3,560	4,969	16,531	6%	8%	12%	17%	57%	26%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Norco city	6,952	547	451	890	1,122	3,942	8%	6%	13%	16%	57%	27%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Perris city	12,789	1,690	1,489	2,538	3,031	4,041	13%	12%	20%	24%	32%	45%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Riverside city	88,413	10,444	9,648	15,633	17,274	35,414	12%	11%	18%	20%	40%	40%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	San Jacinto city	11,157	2,226	1,514	1,919	2,193	3,305	20%	14%	17%	20%	30%	51%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Temeccula city	29,081	1,859	1,970	3,162	5,602	16,488	6%	7%	11%	19%	57%	24%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Wildomar city	9,070	786	1,001	1,354	1,744	4,175	9%	11%	15%	19%	46%	35%
65	WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	Unincorporated	112,127	11,125	12,581	16,162	19,635	52,725	10%	11%	14%	17%	47%	36%
		WRCOG Subregion	483,183	59,720	52,840	76,402	89,489	210,733	11%	11%	16%	19%	44%	38%

Household Distribution by RHNA Income Category Based on County Median Household Income (MHI) from American Community Survey 2005-09 5-Year Average

COUNTY	SUBREGION	CITY	Households	Households-Extreme Low Income	Households-Very Low Income	Households-Lower Income	Households-Moderate Income	Households-Above Moderate Income	Households-Extreme Low Income (%)	Households-Very Low Income (%)	Households-Lower Income (%)	Households-Moderate Income (%)	Households-Above Moderate Income (%)	Households-Extreme Low Income (%)	Sub-Total: Low Income Group (%)
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Blythe city	4,580	899	960	967	722	1,432	18%	19%	19%	14%	29%	29%	57%
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Cathedral City city	18,108	3,038	2,395	3,714	3,149	5,812	17%	13%	21%	17%	32%	32%	51%
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Coachella city	8,688	1,284	1,733	1,965	1,918	1,788	15%	20%	23%	22%	21%	57%	
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Desert Hot Springs city	7,283	1,691	1,151	1,576	1,252	1,619	23%	16%	22%	17%	22%	61%	
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Indian Wells city	2,591	166	151	248	240	1,786	6%	6%	10%	9%	69%	22%	
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Indio city	24,516	3,575	3,416	4,435	4,457	8,633	15%	14%	18%	18%	35%	47%	
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	La Quinta city	15,438	1,244	999	1,833	3,117	8,245	8%	6%	12%	20%	53%	26%	
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Palm Desert city	23,861	3,089	3,113	4,209	3,817	9,633	13%	13%	18%	16%	40%	44%	
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Palm Springs city	24,362	3,854	3,951	4,962	4,073	7,522	16%	16%	20%	17%	31%	52%	
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Rancho Mirage city	8,660	1,055	859	1,024	1,326	4,396	12%	10%	12%	15%	51%	34%	
65	COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS	Unincorporated	23,514	3,565	4,131	5,028	4,521	6,268	15%	18%	21%	19%	27%	54%	
		CVAG Subregion	162,001	23,460	22,859	29,951	28,592	57,128	14%	14%	18%	18%	35%	47%	
		Riverside County, Total	645,184	77,180	75,699	106,363	118,081	267,861	12%	12%	16%	18%	42%	40%	
71	SANBAG	Adelanto city	6,471	1,303	993	1,124	1,433	1,618	20%	15%	17%	22%	25%	53%	
71	SANBAG	Apple Valley town	22,328	3,809	2,676	3,737	3,588	8,528	17%	12%	17%	16%	38%	46%	
71	SANBAG	Barstow city	8,222	1,534	1,368	1,196	1,638	2,466	19%	17%	15%	20%	30%	50%	
71	SANBAG	Big Bear Lake city	2,425	520	435	560	277	634	21%	18%	23%	11%	26%	62%	
71	SANBAG	Chino city	20,595	1,312	1,544	2,373	3,791	11,175	6%	7%	13%	18%	54%	27%	
71	SANBAG	Chino Hills city	21,892	905	622	1,507	2,735	16,123	4%	3%	7%	12%	74%	14%	
71	SANBAG	Colton city	15,126	2,181	2,008	3,296	3,347	4,294	14%	13%	22%	22%	28%	49%	
71	SANBAG	Fontana city	44,542	3,696	3,814	7,121	9,063	20,848	8%	9%	16%	20%	47%	33%	
71	SANBAG	Grand Terrace city	4,239	385	524	586	819	1,925	9%	12%	14%	19%	45%	35%	
71	SANBAG	Hesperia city	23,539	3,155	2,929	4,518	4,583	8,354	13%	12%	19%	19%	35%	45%	
71	SANBAG	Highland city	14,315	1,812	1,798	2,155	2,266	6,284	13%	13%	15%	16%	44%	40%	
71	SANBAG	Loma Linda city	8,372	1,051	1,121	1,408	1,502	3,290	13%	13%	17%	18%	39%	43%	
71	SANBAG	Montclair city	8,913	1,092	962	1,417	2,141	3,301	12%	11%	16%	24%	37%	39%	
71	SANBAG	Needles city	2,204	662	375	366	319	482	30%	17%	17%	4%	22%	64%	
71	SANBAG	Ontario city	47,166	4,304	4,853	8,622	9,716	19,671	9%	10%	18%	21%	42%	38%	
71	SANBAG	Rancho Cucamonga city	54,253	3,140	3,544	6,562	9,182	31,825	6%	7%	12%	17%	59%	24%	
71	SANBAG	Redlands city	24,540	2,568	2,280	3,845	4,002	11,845	10%	9%	16%	16%	48%	35%	
71	SANBAG	Rialto city	24,362	2,754	3,025	4,808	4,909	8,866	11%	12%	20%	20%	36%	43%	
71	SANBAG	San Bernardino city	57,547	10,841	9,155	11,563	10,662	15,326	19%	16%	20%	19%	27%	55%	
71	SANBAG	Twentynine Palms city	10,170	1,611	1,855	2,172	1,915	3,217	15%	17%	20%	18%	30%	52%	
71	SANBAG	Upland city	24,667	2,137	2,207	3,801	4,352	12,170	9%	9%	15%	18%	49%	33%	
71	SANBAG	Victorville city	28,842	4,167	3,842	4,405	5,973	10,455	14%	13%	15%	21%	36%	43%	
71	SANBAG	Yucaipa city	17,190	2,214	1,833	2,751	2,820	7,572	13%	11%	16%	16%	44%	40%	
71	SANBAG	Yuca Valley town	8,347	1,693	1,115	1,545	1,494	2,500	20%	13%	19%	18%	30%	52%	
71	SANBAG	Unincorporated	87,922	12,330	11,281	15,794	15,972	32,545	14%	13%	18%	18%	37%	45%	
		San Bernardino County, Total	588,800	71,176	66,179	97,632	108,499	245,314	12%	11%	17%	18%	42%	40%	
111	VENTURA COUNCIL OF GOVERNMENTS	Camarillo city	22,961	2,396	2,433	3,472	4,328	10,332	10%	11%	15%	19%	45%	36%	
111	VENTURA COUNCIL OF GOVERNMENTS	Fillmore city	4,293	741	649	778	839	1,286	17%	15%	18%	20%	30%	51%	
111	VENTURA COUNCIL OF GOVERNMENTS	Moorpark city	10,734	745	837	1,169	1,932	6,051	7%	8%	11%	18%	56%	26%	
111	VENTURA COUNCIL OF GOVERNMENTS	Ojai city	3,077	490	422	634	454	1,077	16%	14%	21%	15%	35%	50%	
111	VENTURA COUNCIL OF GOVERNMENTS	Oxnard city	49,551	8,043	7,825	10,483	9,298	13,905	16%	16%	21%	19%	28%	53%	
111	VENTURA COUNCIL OF GOVERNMENTS	Port Hueneme city	6,882	1,038	1,100	1,733	1,568	1,443	15%	16%	25%	23%	21%	56%	
111	VENTURA COUNCIL OF GOVERNMENTS	San Buenaventura (Ventura) city	38,528	5,716	4,929	6,946	7,495	13,442	15%	13%	18%	19%	35%	46%	
111	VENTURA COUNCIL OF GOVERNMENTS	Santa Paula city	8,373	1,930	1,320	2,001	1,320	1,802	23%	16%	24%	16%	22%	63%	
111	VENTURA COUNCIL OF GOVERNMENTS	Simi Valley city	38,950	3,499	2,861	5,392	8,187	19,011	9%	7%	14%	21%	49%	30%	
111	VENTURA COUNCIL OF GOVERNMENTS	Thousand Oaks city	43,222	3,828	3,313	5,368	7,035	23,678	9%	8%	12%	16%	55%	29%	
111	VENTURA COUNCIL OF GOVERNMENTS	Unincorporated	30,609	3,184	3,123	4,578	5,364	14,360	10%	10%	15%	18%	47%	36%	
		Ventura County, Total	257,180	31,607	28,812	42,554	47,820	106,387	12%	11%	17%	19%	41%	40%	

Note: ACS city level data is not available for the City of Eastvale. Staff is currently working with Riverside County to estimate the household and income distribution for the city from ACS block group data. It will be provided shortly.



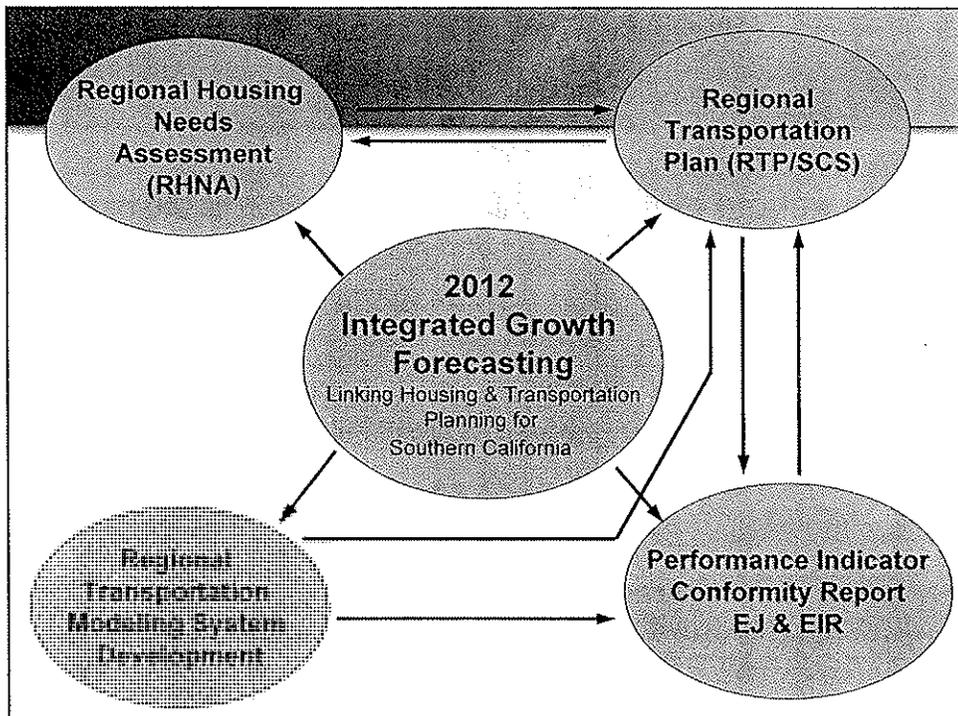
SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

**A Framework for
SCAG Region Housing Construction
Needs Determination and
Allocation Methodology for
The 5th Cycle of the Regional
Housing Needs Allocation (RHNA)**

April 19, 2011

Frank Wen

Manager, Research, Analysis and Information Services



Collaborative Process

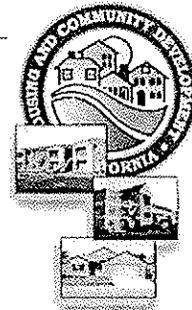
- All SCAG Subregions/Jurisdictions
- Plans and Programs Technical Advisory Committee, Panel of Experts
- Major Stakeholders & Data Users
- RC and Policy Committees, RHNA Subcommittee, SCAG Management, Staff, and Consultant Teams
- State DOF/HCD and major MPOs

Linkage to RHNA

Household growth between 2011 and 2021 is the basis used to calculate construction needs

Objectives:
Based on 2012 Integrated Growth Forecasting process and results

CA HCD construction need range issued for the SCAG region is consistent with the Integrated Growth forecasts and RHNA policies adopted by CEHD



Methodology Framework

- Existing housing need
- Projected total housing need for RHNA planning period
- The Regional Housing Needs Allocation (RHNA) plan
 - RHNA methodology
 - Subregion delegation
- Interaction between RHNA & RTP/SCS

RHNA Methodology Framework

Existing housing need—SCAG approach is to process Census data and provide value-added information as required by housing law

- Existing and projected housing needs for all income levels
- Over-payment, overcrowding, and housing stock condition
- An inventory of land suitable for residential development
- Special housing needs: elderly, persons with disabilities, large families, farm workers, female households, and families and persons in need of emergency shelter
- An analysis of existing assisted housing developments

Methodology Framework

- **Projected housing need**
 - **SCAG region total housing construction needs determination (HCD)**
 - SCAG approach: use the 24-month Integrated Growth Forecasting Process and results
 - DOF/HCD Consultation:
 - (A) Anticipated household growth associated with projected population increases
 - (B) Household size data and trends in household size
 - (C) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures
 - (D) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs
 - (E) Other characteristics of the composition of the projected population

MNA Methodology Framework

- **Projected housing need**
 - **SCAG region total housing construction needs determination (HCD)**
 - Determine SCAG region population growth, headship rate
 - Household growth = (headship rate) x (population growth)
 - Determine the healthy market vacancy rate (around 3.5%)
 - Determine the replacement needs (based on summation of demolition data from each local jurisdiction)
 - **Total SCAG region housing needs = [Household Growth / (1 - vacancy rate)] + Replacement Needs**
 - Total housing needs breakdown by income category (Use County MHI):
 - Above moderate (> 120%), Moderate (80%-120%),
 - Lower (50%-80%), Very Low (30%-50%), and Extremely Low (<30%)

Methodology Framework

Additional Issues for HCD Consultation

- Growth forecast and housing need on tribal lands
- Help the region to meet requirement of site and zoning with existing vacant units
- Ensure site/zoning information provided in the SCS exempted from further HCD review
- Assist local jurisdictions addressing unmet needs from last RHNA cycle (AB 1233)

RHNA Methodology Framework

- **Projected housing need**
 - The Regional Housing Needs Allocation (RHNA) plan
 - RHNA methodology
 - GC68884.04 (d) regarding 2158 factor survey
 - It is SCAG's responsibility to conduct survey
 - Regional Fair Share/Over Concentration Adjustment
 - Subregion delegation
 - Terms and conditions with SCAG

Methodology Framework

- How current Integrated Growth Forecasting stands with RHNA requirements and 2158 Factors?
 - Fair-share/Over Concentration Adjustment
 - ✓ Existing and projected jobs and housing relationship.
 - ✓ The opportunities and constraints for housing development:
 - ✓ (A) Lack of capacity for sewer or water service
 - ✓ (B) The availability of land suitable for urban development
 - ✓ (C) Lands preserved or protected from urban development under existing federal or state programs,
 - ✓ (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.
 - ✓ The distribution of household growth assumed for RTP and opportunities to maximize the use of public transportation and existing transportation infrastructure.
 - ✓ The market demand for housing.
 - ✓ Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.
 - The loss of units contained in assisted housing developments
 - High housing costs burdens.
 - The housing needs of farmworkers.
 - Any other factors adopted by the council of governments (tbd)

RHNA Methodology Framework

- Fair-share/Over Concentration Adjustment: 4th Cycle of RHNA
 - Each jurisdiction will move 110% towards the county distribution in each of its four income categories.
 - For example, based on county median household income in 2000 Census, a jurisdiction's income distribution is:
 - Very low (29.5%), Low (16.8%), Moderate (16.6%), Above moderate (37.1%),
 - The county distribution is:
 - Very low (24.7%), Low (15.7%), Moderate (17.1%), Above moderate (42.6%),
 - The final adjusted allocation for the jurisdiction by income category following the fair share adjustment is:
 - Very low: $24.2\% = 29.5\% - (29.5\% - 24.7\%) \times 110\%$
 - Low: $15.6\% = 16.8\% - (16.8\% - 15.7\%) \times 110\%$
 - Moderate: $17.1\% = 16.6\% - (16.6\% - 17.1\%) \times 110\%$
 - Above moderate: $43.1\% = 37.1\% - (37.1\% - 42.6\%) \times 110\%$

Methodology Framework

- **Projected housing need**
 - **Subregion delegation:** Delegate subregion and their local jurisdictions apply the survey of 2158 factors to determine their Allocation Methodology and fair share/over Concentration Adjustment, subject to following terms/conditions with SCAG
 - Coordinate with other delegate subregions and SCAG to ensure that the outcome of housing distribution by income category after different fair share/over concentration policy adjustments for delegate subregions and the rest jurisdictions add up to county distribution.
 - Coordinate with delegate subregions (SCS purposes) and SCAG to develop 2012 RTP/SCS which may further refine/reshape both the subregional and regional Allocation Methodology.
 - Coordinate with SCAG and other delegate subregions to address some common RHNA issues
 - Growth projections and housing units in the Spheres of Influence (SOI) and future annexation
 - Incentives for volunteer transfer and additional housing responsibility

RHNA Methodology Framework

- **The interactions between RHNA and the RTP/SCS development process.**
 - Housing planning needs to be coordinated and integrated with the RTP/SCS.
 - Allocation Plan shall allocate housing units within the region consistent with the development pattern included in the SCS.
 - The SCS shall identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to RHNA

For more information
please contact

Frank Wen

Manager, Research, Analysis and Information Services
wen@scag.ca.gov



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS
www.scag.ca.gov

Attachment 3: Technical Appendix to Draft RHNA Methodology Framework Report for RHNA Subcommittee Meeting on April 19, 2011

INTRODUCTION & BACKGROUND

SB375 requires that SCAG's 2012 Regional Transportation Plan (RTP) / Sustainable Communities Strategy (SCS) and Regional Housing Needs Assessment (RHNA) be developed under an integrated process—one process that will foster consistency between these policy initiatives and will also fulfill the multiple objectives required by applicable laws and planning regulations.

As the region's council of governments, SCAG is responsible for the development of 2012 RTP/SCS and allocation of the state-determined regional housing need to all jurisdictions that comprise the SCAG region, except for the delegate RHNA subregions¹. It should be noted that while SCAG is proceeding with the 2012 RTP/SCS and RHNA process, the determination of appropriate population projections and housing construction needs are subject to approval from the Department of Housing and Community Development (HCD), and will not be finalized until August (or possibly later if SCAG disagrees with HCD's population and housing determination). The uncertainty that a timely completion of 2012 RTP/SCS may be at risk has posed a tremendous challenge to the region. SCAG and HCD have started and continue to be in discussions regarding the forecast and total construction needs at the regional level, but SCAG technical staff do not anticipate a quick resolution of these issues in time to ensure a timely completion of the 2012 RTP/SCS. Regional strategies are needed to resolve this issue.

This Technical Appendix describes the Data/GIS and Integrated Growth Forecasting process, methodology, and results, which will serve as the framework and foundation for the development of the 2012 RTP/SCS and Regional Housing Needs Assessment Plan. The key RHNA methodology components and approaches are listed and summarized below:

(1) Existing housing need

Meet the requirements with Census data and statistics from other sources for at-risk subsidized housing

(2) Projected housing need for RHNA planning period

(2). 1 Total Regional Housing Need Determination

- *Based on SCAG bottom-up growth forecasting process and result,*
- *Consultation with DOF/HCD to determine SCAG region housing need*
- *Resolve difference with DOF population projection/reach consensus with HCD*

(2). 2 Allocation Methodology

- *SCAG survey local jurisdictions about the AB 2158 factors*
- *Current growth forecast and results provide an "interim" RHNA Plan subject to further refinements by RHNA Subcommittee and RTP/SCS process*
- *Current growth forecasts have addressed almost all AB 2158 factors*

¹ Delegate subregions for RHNA purposes will determine their own allocation methodology and fair-share/over concentration income adjustment subject to the following outcomes as required by law: (1) Keep subregion total housing needs the same (or higher) as the need agreed with SCAG, and (2) When summed with other delegate subregions and the remaining jurisdictions in the respective county, the number of lower and very low income housing units have to be maintained at the county level, using county MHI.

- *The key policy consideration is the regional fair share/over concentration adjustment. In the last cycle (4th) of RHNA, the adopted policy to address the regional fair share and over concentration adjustment is to move 110% towards the county distribution in each of its four income categories. (The income distribution of RHNA income categories using county median household income (MHI) from American Community Survey (ACS) 2005-09 5-year average for all local jurisdictions proposed to be used for this cycle (5th) of RHNA is attached as Attachment I.)*
- (2). 2 (a). *Non-delegate jurisdictions and whole SCAG region*
 - *SCAG's responsibility-with policy guidance from RHNA Subcommittee-to develop the methodology for non-delegate local jurisdictions*
 - *Collaborate with delegate subregions to ensure that RHNA meet all statutory requirements*
- (2). 2 (b). *Subregion delegation*
 - *Delegate subregion will determine the methodology for local jurisdictions within the subregion*
 - *Agree with following terms and conditions with SCAG:*
 - *Coordinate with other delegate subregions, if any, and SCAG to ensure that the outcome of housing distribution by income category after fair share/over concentration policy adjustments for delegate subregions and the remaining jurisdictions adds up to the respective county's distribution.*
 - *Coordinate with delegate subregions (for SCS purposes) and SCAG to develop 2012 RTP/SCS which may further refine/reshape both the subregional and regional Allocation Methodology.*
 - *Coordinate with SCAG and other delegate subregions to address some common RHNA issues*
 - i. *Growth projections and housing units in the Spheres of Influence (SOI) and future annexation areas*
 - ii. *Incentives for volunteer transfer and additional housing responsibility*
- (3) *The interactions between the RHNA process and the RTP/SCS development process*
 - a. *Housing planning must be coordinated and integrated with the RTP*
 - b. *The allocation plan shall allocate housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy (SCS)*
 - c. *The SCS shall identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584 (RHNA)*

Existing housing need

SCAG region approach to address existing housing need

To meet the requirements of assessing existing housing need and help local jurisdictions in the SCAG region to prepare their housing elements update, SCAG is committed to collaborate with other government agencies, stakeholders, and local jurisdictions to process Census data, related housing statistics from other

sources, and provide value-added information as required by housing law. The statistics used to meet the existing housing need requirements include:

- (1) Local jurisdiction's share of the regional housing need in accordance with Section 65584
- (2) Statistics on household characteristics, including over-payment, overcrowding, and housing stock condition
- (3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment
- (4) An analysis of any special housing needs, such as elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter
- (5) Statistics on existing assisted housing developments

Projected regional total housing need for RHNA planning period

Before HCD can determine the total housing need and its allocation by income category in the SCAG region, Government Code outlines procedures to guide the consultation process between SCAG, California Department of Finance (DOF), and HCD in formulating a methodology to project ranges of population and household growth and their distribution for all economic segments. The stepwise methodologies are as following:

- (1) Determine SCAG region population growth for the RHNA period
- (2) Determine the headship rate
- (3) Determine SCAG's regional household growth by applying the headship rate to population growth
- (4) Determine the healthy market vacancy rate (around 3.5%)
- (5) Determine the replacement needs (based on summation of demolition data from each local jurisdictions)
- (6) Total SCAG region housing needs = [Household Growth / (1 - vacancy rate)] + Replacement Needs
- (7) Total housing needs breakdown by income category [Above moderate (>120%), Moderate (80%-120%), Lower (50%-80%), Very Low (30%-50%), and Extreme Low (<30%)] based on county median household income from the Census (The income distribution for five RHNA income categories using county median household income (MHI)² from 2005-2009 American Community Survey (ACS) for all local jurisdictions is attached as Exhibit A).

SCAG staff met with DOF and HCD staff in mid February of this year to discuss headship rates in the SCAG region. After the meeting, methodology and data used to calculate headship rates were exchanged

² According to 5-year ACS average data, the estimated SCAG region MHI=\$58,271. The estimated MHI for SCAG region counties are: Imperial (\$37,595), Los Angeles (\$54,828), Orange (\$73,738), Riverside (\$58,155), San Bernardino (\$55,461), and Ventura (\$74,828). All figures are in 2009 dollars.

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between SCAG and DOF staff, and both groups have come to a consensus on SCAG's methodology in using appropriate headship rates to translate population growth to household growth. However, no further meeting or discussion has been scheduled to resolve the discrepancies in population projections between SCAG's numbers and DOF's 2007 projections.

Differences in population projection between SCAG and DOF

There is a requirement under GC65584.01 that the difference between SCAG's population projections and DOF's figures should be within 3%. Government Code, however, is not clear whether the base of comparison for the 3% difference is population growth (delta), or total population. In addition, SCAG's 2012 Integrated Growth Forecast for the RTP/SCS and RHNA are based on the most recent socioeconomic statistics and planning assumptions, including the "Great Recession" and its impact on population growth from domestic and international migration. However, these key determinants are missing from DOF's population projections, which were released in 2007 and primarily use underlying data from 2006 or earlier.

Currently, SCAG's 2012 RTP/SCS population projections show a difference from DOF's numbers of about 582,000 people in 2020, which is about 3.5% measured by total population in 2020, and 26% if measured by population growth (delta) between 2010 and 2020. Finally, SCAG staff's professional opinion is that the differences in population projections in the range between 3%-8% should be evaluated in terms of total population, not population growth. In contrast, if projected growth, or delta, is the one for comparison, the ranges should be specified around 20% to 40%, depending on the length of projections into the future. This opinion in terms of likely ranges when comparing population projections and estimates is widely shared and accepted by academia³ and practitioners, including staff from DOF. The latest example validating and supporting this opinion is evidenced from the difference between 2010 Census population count and estimate provided by DOF; that difference for the SCAG region is almost 1 million people, or 5% of DOF's population total. SCAG should seek further clarification of the language in GC65584.01 regarding the interpretation of 3% differences in population projections.

Above issues, if not resolved by June, could affect timely completion of the 2012 RTP/SCS. According to the schedule allowable by the statute, however, HCD will not provide SCAG with its regional housing need determination before August.

Additional issues to consult with HCD

With consensus and support from the region, additional issues that SCAG could take on to discuss with HCD regarding RHNA include:

- Growth forecast and housing need on the tribal lands.
- Help the region to meet requirement of site and zoning with existing vacant units and foreclosures in both RHNA and housing element update phases.
- Ensure the site and zoning information provided by local jurisdictions documented in the SCS which meet the GHG targets can be exempted from further review by HCD during housing elements update
- Assist local jurisdictions in addressing the unmet the housing construction needs carried over from the 4th cycle of housing elements update (AB 1233 and GC65584.09).

³ Smith, Stanley K., J. Tayman, D. A. Swanson. 2001. State and Local Population Projections: Methodology and Analysis. New York: Kluwer Academic/Plenum Publishers.

The RHNA Methodology—Allocation Methodology

The Allocation Methodology is the tool used by SCAG to assign each jurisdiction in the SCAG region its share of the region's total housing need. No more than six months before the adoption of the RHNA Allocation Methodology, SCAG must conduct a survey of all local jurisdictions on the factors listed below, which shall be included to develop the Allocation Methodology. Moreover, the housing law requires that a lower proportion of housing need be allocated 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 decennial United States census.

- (1) Existing and projected jobs and housing relationship.
- (2) The opportunities and constraints to develop additional housing in each member jurisdiction, including all of the following:
 - a. Lack of capacity for sewer or water service
 - 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
 - c. Lands preserved or protected from urban development
 - d. County policies to preserve prime agricultural land
 - e. The distribution of household growth assumed for purposes of a comparable period of RTP and opportunities to maximize the use of public transportation and existing transportation infrastructure
 - f. The market demand for housing
 - g. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county
 - h. The loss of units contained in assisted housing developments
 - i. High housing costs burdens
 - j. The housing needs of farmworkers
 - k. Any other factors adopted by the council of governments

The Integrated Growth Forecasting process and results derived through the 24-month (May 2009 to April 2011) top down and bottom-up process basically provides one scenario of SCS growth pattern and associated RHNA plan. This version of the RHNA plan will be further refined and reshaped through the RTP/SCS planning process, policy decisions by RHNA Subcommittee, Community, Economic, and Human Development Committee (CEHD), Regional Council (RC), and input/review from technical committees, local jurisdictions, subregions, and other stakeholders.

Moreover, SCAG is in the process of conducting regional and subregional workshops on the 2012 RTP/SCS, integrated growth forecasts, and RHNA. While local considerations were initially incorporated as part of the Allocation Methodology, information and input received from these workshops and additional discussions with individual jurisdictions will be assessed and could shape the Draft Allocation Methodology and allocation outcome.

Nevertheless, it is staff's opinion that for this cycle of RHNA Allocation Methodology, all factors listed above have been adequately addressed through the 24-month integrated growth forecasting process, except the policy considerations related to fair share/over-concentration. In the last cycle, with significant comments and input

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from the Programs and Plans Technical Advisory Committee (P&PTAC), the RHNA Subcommittee made recommendations regarding the following factors and how they would be addressed in the Allocation Methodology. The recommendations of the RHNA Subcommittee presented to and approved by the CEHD in November 2006 for the 4th cycle of RHNA included:

- (1) Farmworker housing needs
- (2) Loss of at-risk low-income units
- (3) Housing Cost
- (4) Market Demand
- (5) Fair Share/Over-concentration

Farmworker Housing Needs

The housing needs of farmworkers are not always included in a housing allocation methodology. Farmworker housing needs are concentrated geographically and across farm communities in specific SCAG region counties and sub areas. The CEHD approved a policy that combines an existing housing need statement with giving local jurisdictions the discretion to deal with farmworker housing needs. This factor will not be addressed in SCAG's Allocation Methodology. Instead, SCAG will provide the farmworker housing need data for local jurisdictions to adequately plan for such need in preparing their housing elements. These data include:

- (1) Farmworkers by Occupation
- (2) Farmworkers by Industry
- (3) Place of Work for Agriculture

Loss of At-risk Low-Income Units

The conversion of low-income units into non-low-income uses is not necessarily reflected in a housing allocation methodology. The loss of such units affects the proportion of affordable housing needed within a community and the region as a whole. There is an inherent risk of losing more affordable units in any one year than are allocated to be built, which severely impacts local housing accessibility for low-income households.

The CEHD approved a policy that combines an existing housing need statement with giving local jurisdictions the discretion to deal with this factor. This factor will not be addressed as part of SCAG's Allocation Methodology. Instead, SCAG will provide the data for this factor for local jurisdictions to adequately plan for the loss of at risk low income units in preparing their housing elements.

High Housing Cost Burden

The CEHD approved the recommendation by the RHNA Subcommittee to assign more housing to high housing cost jurisdictions relative to lower cost jurisdictions based on vacancy rate differentials as recommended by the RHNA Subcommittee. The recommendation is to use the regional vacancy rate of 3.5 across all jurisdictions to adjust the future vacant unit need, with special adjustments for impacted communities with a higher concentration of low income households than county average. For these impacted communities, the lower of the Census vacancy rate or the 3.5% vacancy rate will be used. Collectively, this approach regarding the high housing cost burden will modestly increase housing stock in

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low vacancy, high housing cost communities versus other jurisdictions, and is based upon an ideal healthy market vacancy adjustment of 3.5%.

The mathematical equation for addressing this policy decision for purposes of the Allocation Methodology would be as follows:

Construction Needs for each Jurisdiction (2011-2021):

[Household Growth (2011-2021) + Replacement Needs (2000-2010)] +
[Vacancy Rate Adjustment (3.5%)] –
[Adjustments for local jurisdictions where the share of very-low and low income household is greater than their county's share of very-low and low income households, and their vacancy rates are lower than the combined vacancy rate of 3.5%]

Market Demand

The CEHD adopted the RHNA Subcommittee's recommendation that the Integrated Growth Forecast adequately address this factor and elected not to make any further adjustments relating to the market demand for housing and the employment to population relationship for purposes of the Allocation Methodology.

Fair Share/Over Concentration

California housing law states that the regional housing allocation methodology must avoid or mitigate the over- concentration of income groups in a jurisdiction to achieve its objective of increasing the supply and mix of housing types, tenure, and affordability in an equitable manner, which would result in each jurisdiction receiving an allocation of units for low and very low income households [see, Govt. Code Section 65584(d)].

The CEHD adopted the recommendation from RHNA Subcommittee that each community should close the gap between their current income household distribution and the county median distribution, by specifically adjusting their respective levels to 110% of the county average.

Example of Allocation of Construction Needs by Income Category utilizing approved Fair Share Adjustment from the 4th Cycle of RHNA Plan:

Each jurisdiction will move 110% towards the county distribution in each of its four income categories. For example, based on county median household income in 2000 Census, a jurisdiction's income distribution is:

Very low (29.5%), Low (16.8%), Moderate (16.6%), Above moderate (37.1%),

The county distribution is:

Very low (24.7%), Low (15.7%), Moderate (17.1%), Above moderate (42.6%),

The final adjusted allocation for the jurisdiction by income category following the fair share adjustment is:

Very low: $24.2\% = 29.5\% - (29.5\% - 24.7\%) \times 110\%$
Low: $15.6\% = 16.8\% - (16.8\% - 15.7\%) \times 110\%$

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Moderate: $17.1\% = 16.6\% - (16.6\% - 17.1\%) \times 110\%$
Above moderate: $43.1\% = 37.1\% - (37.1\% - 42.6\%) \times 110\%$

For the detailed analysis of the recommendations of the RHNA Subcommittee, which were ultimately approved by the CEHD, please see the November 2, 2006 agenda and attachments for the CEHD Committee.

http://scag.ca.gov/committees/pdf/cehd/2006/november/cehd110206_5_2.pdf

Allocation Methodology for Delegate Subregions

Delegate RHNA subregions have to perform the same functions and meet the same requirements as described in the previous section to develop the Allocation Methodology for their subregions, as SCAG does for the rest of the region. However, all delegate subregions will benefit from the Integrated Growth Forecasting process and the “interim” results when developing their respective Allocation Methodology. The interim version of the RHNA plan, incorporating all 2158 factors for both existing and projected need allocation by jurisdictions, and by income category, meets all housing planning objectives/requirements, except for the methodology and policy to address adequately the fair share/over concentration adjustment. Moreover, it is SCAG’s responsibility to conduct the survey of 2158 factors specified in the GC65584.04(d).

While delegate subregions have full authority and freedom to work with their jurisdictions to develop the Allocation Methodology, it should be noted that additional terms and conditions should be developed with SCAG to ensure that when incorporating allocation outcomes from delegate subregions, the RHNA outcome for the whole region satisfies the requirements/objectives of state housing law.

Terms and Conditions with Delegate Subregions:

- (1) Coordinate with other delegate subregions and SCAG to ensure that the outcome of housing distribution by income category after fair share/over concentration policy adjustments for delegate subregions and the remaining jurisdictions adds up to the respective county’s distribution.
- (2) Coordinate with delegate subregions (for SCS purposes) and SCAG to develop 2012 RTP/SCS which may further refine/reshape both the subregional and regional Allocation Methodology.
- (3) Coordinate with SCAG and other delegate subregions to address some common RHNA issues
 - a. Growth projections and housing units in the Spheres of Influence (SOI) and future annexation areas
 - b. Incentives for volunteer transfer and additional housing responsibility

The Interactions Between GC65584 Process (RHNA) and the RTP/SCS Development Process

As required by housing law, Housing planning needs to be coordinated and integrated with the RTP/SCS. To achieve this goal, the allocation plan shall allocate housing units within the region in a manner that is consistent with the development pattern included in the Sustainable Communities Strategy (SCS), and the SCS shall identify areas within the region sufficient to house an eight-year projection of the regional housing need pursuant to Section 65584.

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SCAG, in cooperation with the respective subregions within the SCAG region, will conduct two dozen or so public workshops between now and August 2011 for local jurisdictions, members of the public and interested parties to provide input to SCAG with regard to:

- (1) Developing the draft 2012 RTP/SCS and RHNA
- (2) Refining/reshaping SCAG's initial assessment of the growth and housing capacity of cities as reflected in the Integrated Growth Forecast and land uses through development types as required for the development of the RTP/SCS and RHNA.

Currently, SCAG is in the process of reviewing the information/input received from the workshops and local jurisdictions between January 2011 and March 2011. Staff will continue to schedule and conduct additional one-on-one meetings with local jurisdictions to discuss their concerns, and further facilitating public participation regarding the 2012 RTP/SCS, Integrated Growth Forecast and RHNA process. Other SCAG staff activities held concurrently with the workshops include:

- (1) Incorporating 2010 Census and EDD employment re-benchmark information into the 2012 RTP/SCS growth forecasting process
- (2) Identifying land use patterns in terms of uses, density and intensity that can accommodate the 8-year housing construction needs and 30-year population growth by all economic segments

Staff intends to presents its analysis of the information/input gathered from the workshops, and whether they affect the Allocation Methodology, as part of the second round of public workshops related to different scenarios for RTP/SCS and RHNA set to occur between June 2011 and August 2011.

Finally, as required by GC65584.04 (d) staff will also present information regarding any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments.

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AGENDA ITEM #

5

DATE: April 19, 2011
TO: Regional Housing Needs Assessment (RHNA) Subcommittee
FROM: Ma'Ayn Johnson, Senior Regional Planner, 213-236-1975, johnson@scag.ca.gov
SUBJECT: RHNA Subcommittee Meeting Schedule

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:

Determine a monthly standing meeting date for future RHNA Subcommittee meetings.

EXECUTIVE SUMMARY:

The RHNA Subcommittee is tasked with developing methodology and policies that will guide the RHNA process. In addition, the Subcommittee will serve as the hearing body that will review and determine RHNA revisions requests and appeals. A monthly standing meeting date is recommended to facilitate the process.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:

The RHNA Subcommittee is tasked with developing methodology and policies that will guide the RHNA process. In addition, the Subcommittee will serve as the hearing body that will review and determine RHNA revisions requests and appeals. Staff recommends that the RHNA Subcommittee determine a standing monthly meeting date (e.g. second Tuesday of every month or third Monday of every month) so that the process can be facilitated in an efficient manner and future meeting agendas can be prepared effectively.

At its meeting on March 22, the Subcommittee determined that the third Tuesday of every month would be the standing meeting date. However, due to the proximity to other meetings and the constraints of videoconferencing resources, it is suggested that the Subcommittee select another standing meeting date. Based on the current meeting time slot of 10:00am to 12:30 pm, the following standing dates are available for region-wide videoconferencing:

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Week	Monday	Tuesday	Wednesday	Thursday	Friday
1					
2	Unavailable	Unavailable			
3		Unavailable			
4		Unavailable	Unavailable		

FISCAL IMPACT:

Work associated with this item is included in the current FY 10-11 General Fund Budget (11-800.0160.03:RHNA).

ATTACHMENT:

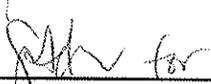
- 1. RHNA Subcommittee Schedule

Reviewed by:



Department Director

Reviewed by:



Chief Financial Officer

Draft RHNA Subcommittee Schedule (February 2011 to September 2012)

Meeting	Proposed Date	Subject	Action
1	February 23, 2011	Overview of RHNA Process; review RHNA Task Force recommendations; RHNA work plan and schedule; subregional delegation guidelines; evaluate issues between the DOF and Census projections; notification to HCD and Caltrans of RTP/SCS adoption date; discussion on Integrated Growth Forecast foundation	Approve charter; approve RHNA work plan and schedule; recommend to CEHD to notify HCD and Caltrans of RTP/SCS adoption date
2	March 22, 2011	Subcommittee Charter; subregional delegation	Approve the RHNA Subcommittee Charter
3	April 19, 2011	Subregional delegation agreement	Provide direction on subregional delegation
4	June 2011	Discussion on Integrated Growth Forecast foundation; begin discussion on RHNA methodology (role of AB 2158 factors/survey; housing costs and appropriate vacancy rates; other)	
5	July 2011	Continued discussion on methodology; proposed allocation to delegated subregions; proposed allocation to delegated subregions	Recommend to CEHD proposed allocation to delegated subregions
6	August 2011	Continued discussion on methodology Review regional housing need determination from HC	Recommend proposed RHNA methodology to CEHD and RC (guidelines on market demand and vacancy rates, fairshare adjustments, use of AB 2158 survey input) Recommend to CEHD and RC approval of HCD regional housing need determination
7	September 2011	Public hearing to consider requests for revision of the proposed allocation to delegated subregions	Review and determine revision requests of proposed allocation for delegated subregions
8	January 2012	Discussion on trade and transfer agreement guidelines; RHNA revisions and appeals process guidelines	Recommend trade and transfer agreement guidelines; recommend RHNA revisions and appeals process guidelines
9	July 2012	Review submitted revision requests	
10	July 2012	Review submitted revision requests	Recommend to CEHD results of revision requests
11	Mid-September 2012	Hearing on appeals	
12	Mid-September 2012	Hearing on appeals	
13	Mid-September 2012	Hearing on appeals	
14	Mid-September 2012	Final meeting	Recommend to CEHD final appeals determinations

Draft RHNA Subcommittee Schedule (February 2011 to September 2012)

Proposed Date	Meeting	Action
March 3, 2011	CEHD	Approve Subcommittee charter; approve RHNA schedule and work plan
March – September	P&P TAC, Subregional Coordinators meetings input on RHNA methodology discussion from Subcommittee	
April 7	CEHD	Approve Subcommittee charter
April 7	Regional Council	Approve RHNA schedule
June 2	CEHD and Regional Council	Approve subregional delegation agreement
June 2	Regional Council	Approve Subcommittee charter
August 4	CEHD and Regional Council	Approve release of proposed subregional allocation for delegated subregions
September 1	CEHD and Regional Council	Recommend release of proposed RHNA methodology
September 1	Regional Council	Public hearing on subregional allocation and determine share of housing need for delegated subregions
October 6	Regional Council	Public hearing on proposed methodology
November 3	Regional Council	Approve final allocation for delegated subregions
December 1, 2011	Regional Council	Hearing on final RHNA methodology
February 2 2012	CEHD	Approve trade and transfer guidelines; approve RHNA revisions and appeals process guidelines
March 1	Regional Council	Approve trade and transfer guidelines; approve RHNA revisions and appeals process guidelines
April 5	CEHD and Regional Council	Release of draft RHNA allocation
October 2012	CEHD	Approve proposed final RHNA allocation plan
October 2012	Regional Council	Public hearing on final RHNA allocation plan

REPORT

DATE: April 19, 2011

TO: Regional Housing Needs Assessment (RHNA) Subcommittee

FROM: Joann Africa, Chief Counsel, 213-236-1928, africa@scag.ca.gov
Huasha Liu, Director of Planning, Land Use & Environmental, 213-236-1838,
liu@scag.ca.gov

SUBJECT: Subregional Delegation Guidelines

EXECUTIVE DIRECTOR'S APPROVAL:**RECOMMENDED ACTION:**

Review and provide direction to staff regarding the draft RHNA Subregional Delegation Guidelines.

EXECUTIVE SUMMARY:

Subregional RHNA delegation was discussed extensively at last month's RHNA Subcommittee meeting. Based upon this discussion and input from the Subcommittee, draft RHNA Subregional Delegation Guidelines have been prepared for the Subcommittee's review and comment. To summarize, two or more geographically contiguous jurisdictions may form a subregional entity for RHNA purposes. Once SCAG provides the subregional entity its subregional need, the subregion is responsible for developing its own methodology, distributing a draft subregional housing allocation for the subregion, conducting the revision requests and appeals process, and submitting a final housing allocation. It should be noted that there are several issues that may need to be considered by the subregion as it develops its methodology, including a social equity or "fair share" adjustment. Depending upon how a subregional addresses social equity, additional terms and conditions may need to be considered in order to ensure that the RHNA outcome for the SCAG region meets the requirements and objectives under state housing law.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:

Per Government Code Section 65584.03, SCAG may delegate to a "subregional entity" the responsibility of preparing an allocation of a local housing need plan for the jurisdictions within the particularly subregional entity. In the case of SCAG's 5th cycle RHNA, the subregion entity intending to accept subregional delegation must notify SCAG of its intent to accept RHNA delegation by June 30, 2011. The deadline to enter in a Delegation Agreement with SCAG regarding RHNA subregional delegation is proposed to be August 31, 2011.

Last month the RHNA Subcommittee discussed the various aspect of RHNA Subregional Delegation. As a result of the discussion and input from the Subcommittee, staff has drafted the attached RHNA Subregional

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Delegation Guidelines to be used as guidance for the delegation process. As part of the draft Guidelines, a sample resolution regarding accepting delegation is included as well as a sample Delegation Agreement, both of which are in draft form and subject to review and comment by the RHNA Subcommittee.

As previously discussed, limited funds are available for subregions accepting RHNA delegation. The Guidelines have been drafted such that SCAG shall provide \$1,000 for each local jurisdiction in a subregional entity that accepts delegation, which is based on dividing the total available, \$200,000, into the total number of SCAG jurisdictions. The amount of the respective financial assistance and its distribution is outlined in the sample Delegation Agreement.

Other Considerations

SCAG anticipates receiving the Regional Housing Need Determination from the California Department of Housing and Community Development (HCD) in August 2011, from which a subregional housing target will be developed to those accepting delegation, and SCAG will hold a corresponding public hearing. As a delegate subregion, the subregion assumes the tasks and responsibilities in developing a housing need for jurisdictions included in its subregion. The final subregional housing allocation will be submitted to SCAG for approval before SCAG prepares its final RHNA plan.

As a delegate subregion, the subregion will have the responsibility to develop its own distribution methodology, prepare a draft subregional housing allocation, conduct the revision requests and appeals process, and approve and submit a final subregional housing allocation plan to SCAG, meeting the requirements set forth in state housing laws pertaining to RHNA. At the same time, SCAG will be developing the RHNA methodology and RHNA allocation plan for the rest of the region.

There are several issues that may need to be considered by delegated subregions for the development of their respective subregional allocation methodology. These considerations include, but are not limited to:

1. Distributions based on the Integrated Growth Forecast and the AB 2158 survey
Delegate subregions are responsible for integrating local planning factors into its subregional housing allocation methodology. It will be at the discretion of the subregion on how to integrate these local planning factors. Entities outside of SCAG (i.e., other regional Council of Governments) have addressed this by weighting some factors (e.g., jobs-housing balance) or applying new ones (e.g., spheres of influence), and application of effective vacancy rates.
2. Social equity adjustment
SCAG and delegate subregions must apply a social equity adjustment in order to address disproportionately higher shares of households in certain income categories. In the prior RHNA cycle, SCAG addressed this issue by applying a 110 percent fair share adjustment towards the county average.

While jurisdictions have full authority to work with their jurisdictions to develop a RHNA methodology for the allocation of local housing need pursuant to Government Code Section 65584 and 65584.04, additional terms and conditions may need to be developed with SCAG to ensure that when incorporating allocation results from delegate subregions, the RHNA outcome for the SCAG region meets the requirements and objectives set forth by state housing laws. These include:

REPORT

1. Coordinating with other delegate subregions in the same county and SCAG to ensure that the outcome of housing distribution after fair share adjustments for subregions and the remaining jurisdictions adds up to the respective county's distribution
2. Coordinating with SCAG and subregions within the same county accepting SCS delegation to develop the 2012 RTP/SCS, which may further refine both the subregional and regional allocation methodology
3. Coordinating with other delegate subregions within the same county and SCAG to address common RHNA issues.

The RHNA Subcommittee is asked to review the draft Delegation Guidelines and provide additional direction to staff, including input regarding how to address these other considerations that are factors in the development of a subregional allocation methodology.

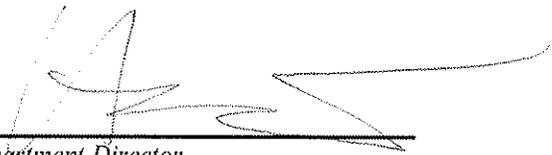
FISCAL IMPACT:

Work associated with this item is included in the current FY 10-11 General Fund Budget (11-800.0160.03:RHNA).

ATTACHMENT:

1. Draft RHNA Subregional Delegation Guidelines

Reviewed by:

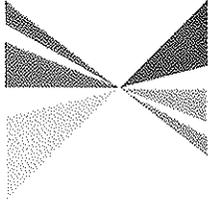


Department Director

Reviewed by:



Chief Financial Officer



SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

RHNA SUBREGIONAL DELEGATION GUIDELINES

Meaning of "Subregional Entity" and Notification Deadline

Under the law, SCAG may delegate to a "subregional entity" the responsibility of preparing a subregional housing need allocation for the jurisdictions within the particular subregional entity, that will be included as part of SCAG's Regional Housing Need Allocation (RHNA) Plan. Specifically, California Government Code Section 65584.03 provides as follows:

"...[A]t least two or more cities and a county, or counties, may form a subregional entity for the purpose of allocation of the subregion's existing and projected need for housing among its members in accordance with the allocation methodology established pursuant to Section 65584.04. The purpose of establishing a subregion shall be to recognize the community of interest and mutual challenges and opportunities for providing housing within a subregion. A subregion formed pursuant to this section may include a single county and each of the cities in that county or any other combination of geographically contiguous local governments and shall be approved by the adoption of a resolution by each of the local governments in the subregion as well as by the council of governments. All decisions of the subregion shall be approved by vote as provided for in rules adopted by the local governments comprising the subregion or shall be approved by vote of the county or counties, if any, and the majority of the cities with the majority of population within a county or counties."

The subregional entity must notify SCAG at least 28 months before the scheduled Housing Element update of its formation. In the case of SCAG's 5th cycle RHNA, notification by the proposed subregional entity must be provided to SCAG by June 30, 2011. Submittal of the required adopting resolution, a sample of which is attached herein as Exhibit A, shall occur prior to approval of the Delegation Agreement between SCAG and the subregional entity.

Delegation – Scope of Responsibilities

After a subregional entity has notified SCAG of its formation and intent to accept delegation of the RHNA process, SCAG and the subregional entity will enter into an agreement that set forth the process, timing, and other terms and conditions of the delegation of responsibilities by SCAG to the respective subregion. By accepting delegation, the subregional entity would be tasked

with all of the responsibilities related to distributing the housing need for the jurisdictions within the subregion. This includes developing a subregional methodology for distribution, releasing a draft subregional housing allocation plan by income groups using the approved subregional distribution methodology, determining the revision requests and appeals submitted by jurisdictions with the subregion regarding its draft subregional housing allocations, preparing and approving the final subregional housing allocation, and conducting the required public hearings. A sample Delegation Agreement is attached herein as Exhibit B.

SCAG anticipates receiving the Regional Housing Need Determination from the State of California Department of Housing and Community Development (HCD) in August 2011. A subregional housing target will be issued afterwards by SCAG to the subregional entity as part of a required public hearing. These targets will be based upon such factors as the delegate subregions; share of the household growth from January 1, 2011 to December 31, 2021, a healthy market vacancy rate, and replacement needs based upon demolitions from all jurisdiction within the delegated subregion.

The subregional entity's share of the regional housing target is to be consistent with the distribution of households assumed for the comparable time period within the 2012 Regional Transportation Plan/Sustainable Communities Strategy. The final subregional allocation will be submitted to SCAG for approval before SCAG prepares its final RHNA plan.

In the event a subregional entity fails to fulfill its responsibilities provided under state law or in accordance with the subregional Delegation Agreement, SCAG will be required to develop and make final allocation to members of the subregional entity, according to the regionally adopted method pursuant to Government Code Section 65584 and 65584.04.

Financial Assistance for Delegation

SCAG staff has budgeted approximately \$200,000 as financial assistance for subregional delegation. In order to best utilize these limited funds, SCAG shall provide \$1000 for each local jurisdiction in a subregional entity who accepts delegation, based upon dividing \$200,000 into the total number of jurisdictions in the SCAG region (which is approximately 200 since there are 190 cities and 6 counties in the SCAG region). The amount of the respective financial assistance for the subregional entity and its distribution shall be outlined in the Delegation Agreement.

Proposed Timeline for Subregional Delegation

The following represents the proposed time for RHNA subregional delegation:

By June 30, 2011	Notice of Intent submitted by proposed Subregional Entity
By July 30, 2011	SCAG to provide Subregional Entity with Growth Forecast information and survey information regarding AB 2158 factors
By August 31, 2011	State HCD to provide SCAG with Regional Housing Need Determination
By August 31, 2011	Deadline for SCAG and Subregional Entity to enter into Delegation Agreement (adopting resolutions to be approved beforehand)
By Sept. 30, 2011	SCAG to provide Subregional Entity with Subregional Housing Need Determination as part of public hearing
By Oct. 31, 2011	SCAG releases its proposed Regional Allocation Methodology; Subregional Entity releases its proposed Subregional Allocation Methodology
By Dec. 31, 2011	SCAG approves final Regional Allocation Methodology; Subregional Entity approves final Subregional Allocation Methodology; last day for Subregional Entity to terminate Delegation Agreement and relinquishes its delegation responsibilities
By April 5, 2012	SCAG releases Draft RHNA Plan; Subregional Entity Releases Draft Subregional Housing Allocation Plan
Spring-Summer 2012	Revisions requests and/or appeals (if any) processed by SCAG and Subregional Entity
By August 31, 2012	Subregional Entity to approve its Final Subregional Housing Allocation Plan and submit it to SCAG
By October 4, 2012	SCAG to approve its Final RHNA Plan, which incorporates the Final Subregional Housing Allocation Plan by the Subregional Entity; Submittal of Final RHNA Plan to State HCD
By December 4, 2012	Deadline for HCD to approve SCAG's Final RHNA Plan
October 31, 2013	Deadline for updates of Local Housing Elements

Attachments to these Guidelines:

- Exhibit A – Sample Resolution (still in draft form)
- Exhibit B – Sample Agreement (still in draft form)

Exhibit A - RHNA Subregional Delegation Guidelines

**RESOLUTION OF (NAME OF LOCAL JURISDICTION)
ESTABLISHING SUBREGIONAL ENTITY FOR PURPOSES
OF DEVELOPING SUBREGIONAL HOUSING ALLOCATION PLAN TO BE
INCLUDED IN REGIONAL HOUSING ALLOCATION PLAN BY THE
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

Whereas, the California Legislature has declared, in Government Code Section 65580, that the availability of housing is of vital state importance, and it is a goal of the State of California to expand housing opportunities and accommodate housing needs of Californians in all economic levels;

Whereas, counties and cities within California, in order to ensure attainment of the State's housing goal, are required under state law to adopt a general plan, which must include a housing element, which identifies and analyzes existing and projected housing needs, and enumerates goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement and development of housing to meet the needs of all economic segments of the community;

Whereas, Government Code Section 65583(a) requires each such housing element to provide an assessment of the "share" of regional housing needs which must be borne by a local jurisdiction, and an inventory of resources and constraints relevant to the meeting of those needs;

Whereas, the Southern California Association of Governments (SCAG) is a joint powers authority agency representing six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial; and is mandated by the federal and state law to research and develop long range regional plans related to transportation, growth, waste management, air quality and housing;

Whereas, SCAG, in consultation with the California Department of Housing and Community Development ("HCD" herein), is required to determine the existing and projected need for housing for the SCAG region pursuant to Government Code Sections 65584 et seq. by way of preparation of a Regional Housing Needs Assessment ("RHNA");

Whereas, counties and cities use the RHNA to prepare updates to its respective housing elements, and specifically, its assessment of its "share" of the regional housing needs;

Whereas, SCAG is preparing the fifth update of the RHNA and intends to submit the RHNA to HCD on or about October 4, 2012. Counties and cities within the SCAG region thereafter are required to prepare and submit their respective updated housing elements to HCD by October 30, 2013; and

Whereas, SCAG is authorized under current state law to delegate the responsibility of allocating the projected housing need for jurisdictions with a subregion to a subregional entity by way of a written agreement.

NOW, THEREFORE, BE IT RESOLVED by the (City Council/Board of Supervisors) of the (Name of Local \Jurisdiction):

1. The (Name of Local Jurisdiction) agrees to form a “subregional entity” within the meaning set forth in Government Code Section 65583 with the jurisdictions of _____ (collectively referred to herein as “Subregion”). This Subregion desires to accept delegation of the responsibility of allocating the total housing need for the local governments in its Subregion, under the terms and conditions of a written agreement to be entered into between the Subregion and SCAG.

2. The (Name of Local Jurisdiction) authorizes _____ to act on behalf of the Subregion for purposes of facilitating the application of this Resolution.

APPROVED AND ADOPTED by the (City Council/Board of Supervisors) of the (Name of Local Jurisdiction) on this ____ day of _____, 2011.

**DELEGATION AGREEMENT
CONCERNING HOUSING NEEDS ASSEMENT
BETWEEN THE SOUTHERN CALIFORNIA ASSOCIATION OF
GOVERNMENTS AND (NAME OF SUBREGIONAL ENTITY)**

This Delegation Agreement (“Agreement” herein) is made and entered into this _____ day of _____, 2011, by and between the Southern California Association of Governments, a joint powers authority established under California law (hereinafter referred to as “SCAG”), and the (NAME OF SUBREGIONAL ENTITY), a _____ (hereinafter referred to as “Subregion”), collectively referred to herein as the “Parties.”

RECITALS

The following recitals are a substantive part of this Agreement, and are incorporated herein by this reference.

A. The California Legislature has declared, in Government Code Section 65580, that the availability of housing is of vital state importance, and it is a goal of the State of California to expand housing opportunities and accommodate housing needs of Californians in all economic levels.

B. Counties and cities within California, in order to ensure attainment of the State’s housing goal, are required under state law to adopt a general plan, which must include a housing element, which identifies and analyzes existing and projected housing needs, and enumerates goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement and development of housing to meet the needs of all economic segments of the community.

C. Government Code Section 65583(a) requires each such housing element to provide an assessment of the “share” of regional housing needs which must be borne by a local jurisdiction, and an inventory of resources and constraints relevant to the meeting of those needs.

D. SCAG is a joint powers authority agency representing six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial; and is mandated by the federal and state law to research and develop long range regional plans related to transportation, growth, waste management, air quality and housing.

E. SCAG, in consultation with the California Department of Housing and Community Development (“HCD” herein), is required to determine the existing and projected need for housing for the SCAG region pursuant to Government Code Sections 65584 et seq. by way of preparation of a Regional Housing Needs Assessment (“RHNA”). Copies of Government Code Section 65584 et seq. are attached with this Agreement as Exhibit “A.”

F. Counties and cities use the RHNA to prepare updates to its respective housing elements, and specifically, its assessment of its “share” of the regional housing needs.

G. SCAG is preparing the fifth update of the RHNA and intends to submit the RHNA to HCD on or about October 4, 2012. Counties and cities within the SCAG region thereafter are required to prepare and submit their respective updated housing elements to HCD by October 30, 2013.

H. SCAG is authorized under current state law to delegate the responsibility of allocating the projected housing need for jurisdictions with a subregion to a subregional entity by way of a written agreement.

J. The Subregion is a “subregional entity” within the meaning set forth in Government Code Section 65583 and desires to accept delegation of the responsibility of allocating the total housing need for the local governments in its subregion, under the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

I. Parties and Purpose.

- A. The Executive Director of SCAG, or his designee, and the _____ of Subregion, or his designee, are authorized to execute this Agreement and carry out the responsibilities of the Parties herein.
- B. The purpose of this Agreement is to establish the responsibilities of the Parties associated with preparation of the fifth update of RHNA as they relate to delegation of the housing allocation process.

II. Definitions:

For purposes of this Agreement, the following terms shall be defined as follows:

“Final Subregional Housing Allocation” shall mean the final allocation made by Subregion for each city or county with the Subregion, of its share of the Total Subregional Allocation, which shall be issued by the Subregion after conclusion of the appeal and trade and transfer process, as described in Sections V.C and V.D, below.

“Final RHNA Plan” shall mean the final allocation of regional housing need to cities and counties within the SCAG region adopted by SCAG for submittal to HCD

“Integrated Growth Forecast” shall mean the growth scenario established by SCAG for the 2012 Regional Transportation Plan and 2012 RHNA and ties housing to transportation planning.

“Subregional Allocation Methodology” shall mean the methodology to be used by Subregion in distributing the Total Subregional Allocation to the local jurisdictions within the Subregion.

“Total Regional Allocation” shall mean the share of the statewide housing need assigned to the SCAG region by HCD.

“Total Subregional Allocation” shall mean the share of the Total Regional Allocation assigned to the Subregion by SCAG.

III. Duties of SCAG:

For purposes of this Agreement, SCAG shall be responsible for the following duties:

- A. Furnishing Total Subregional Allocation. SCAG shall furnish to Subregion the Total Subregional Allocation.
- B. Furnishing background information regarding Integrated Growth Forecast and AB 2158 factors. SCAG shall furnish to Subregion background data and information regarding SCAG’s Integrated Growth Forecast and survey information regarding AB 2158 factors, which may be necessary for Subregion’s preparation of its Final Allocation of Local Housing Need.
- C. Review of Subregional Allocation Methodology. SCAG shall review the Subregional Allocation Methodology to ensure its consistency with the applicable provisions of Government Code Section 65584 et seq., and the terms of this Agreement.
- D. Review of Final Subregional Housing Allocation. SCAG shall review the Final Subregional Housing Allocation established by Subregion in order to ensure its consistency with the applicable provisions of Government Code Section 65584 et seq., and the terms of this Agreement. In the event that the Final Allocation of Local Housing Need established by Subregion is inconsistent with the applicable provisions of Government Code Section 65584 et seq., or the terms of this Agreement, SCAG reserves the right to make the final housing need allocations to counties and cities within the Subregion in accordance with subdivision (d) of Government Code Section 65584.03.

IV. Duties of Subregion:

For purposes of this Agreement, the Subregion in accepting delegation shall be responsible for the following duties:

- A. Determination of Subregional Allocation Methodology. Subregion shall develop and adopt a Subregional Allocation Methodology in accordance with the provisions of Government Code Section 65584 et seq., including but not limited to Government Code Section 65584 and 65584.04. **(Note: this provision may be revised based upon input from the RHNA Subcommittee).**
- B. Determination of Final Subregional Housing Allocation. Subregion shall determine the Final Subregional Housing Allocation for each city and/or county contained within the boundaries of the Subregion in accordance with the applicable requirements of Government Code Section 66584 et seq. Subregion's determination of the Final Subregional Housing Allocation shall be consistent with the Integrated Growth Forecast and the Subregional Allocation Methodology. This determination shall be made in a cooperative manner with the affected city or county governments.
- C. Maintain Total Subregional Allocation. In determining the Final Subregional Housing Allocation, the Subregion shall maintain the Total Subregional Allocation. Maintenance of the Total Subregional Allocation shall mean to account for the total housing need originally assigned to Subregion by SCAG. By way of example, this means a downward adjustment in one jurisdiction's allocation shall be offset by an upward adjustment in another jurisdiction's allocation in the Subregion.
- D. Administer Revision Requests and Appeals Processes. The Subregion shall administer and facilitate revision requests and appeals processes for local jurisdictions within the Subregion seeking to revise or appeal the original local housing need allocation made by SCAG as part of the draft Subregional Housing Allocation plan. The Subregion shall administer the revision requests and appeals processes in accordance with the applicable provisions of Government Code Section 66584.05. The Subregion shall adjust allocations to local governments based upon the results of the revision requests and appeals processes, and follow the provisions set forth in subdivision (g) of Government Code Section 65584.05 relating to adjustments. Local jurisdictions shall have no separate right of appeal to SCAG.
- E. Administer Trade and Transfer Process. The Subregion may administer a "trade and transfer process" prior to adoption of its Final Subregional Housing Allocation. This trade and transfer process may involve the Subregion facilitating negotiations between two or more cities relating to

an alternate distribution of housing allocations between the affected cities. If the alternate distribution maintains the total housing need originally assigned to these communities, the Subregion shall include the alternate distribution in Subregion's Final Subregional Housing Allocation. The trade and transfer process may commence before the start of the revision requests and appeals processes and continue until the Subregion's adoption of its Final Subregional Housing Allocation. Trades and transfers may also occur outside of the Subregion provided the Total Subregional Allocation is maintained or accounted for. To the extent that SCAG develops guidelines relating to a trade and transfer process, Subregion's administration of its trade and transfer shall be consistent with these guidelines.

F. Compliance with RHNA Subregional Delegation Timeline and Submission of Subregion's Final Subregional Housing Allocation. Subregion shall comply and adhere to the SCAG RHNA Timeline, attached hereto as Exhibit "B." Subregion shall deliver its Final Subregional Housing Allocation to SCAG in time to be included as part of SCAG's public hearing relating to the adoption of SCAG's Final RHNA Plan, unless this Agreement is terminated pursuant to Section IX herein.

G. Records Maintenance. The Subregion shall maintain organized files of all public records and materials prepared or received in connection with any official business taken pursuant to this Agreement. Subregion shall also maintain a written record of any administrative proceeding conducted pursuant to this Agreement, whether by tape recording or by other means. Subregion shall make such records available to SCAG upon written request to Subregion. Subregion shall maintain these records for a period of not less than three (3) years after submission of its Final Subregional Housing Allocation to SCAG.

VI. Financial Assistance.

In consideration for Subregion's agreement to undertake all delegation duties required by this Agreement, SCAG shall provide to Subregion financial assistance in the maximum amount of _____ (**fill in amount which is based upon \$1,000 for each local government in the subregion**), hereinafter referred to as "Financial Assistance". Subregion shall utilize the Financial Assistance solely to implement the terms of this Agreement, including but not limited to, providing staffing (both administrative and technical) to undertake the delegation duties required herein. Subregion shall be responsible for any additional costs required to implement this Agreement that is above the amount of Financial Assistance.

SCAG shall disburse the Financial Assistance to Subregion based upon the following performance milestones:

1. Full Execution of Agreement: Disbursement of 25% of Financial Assistance;
2. Release of draft Subregional Housing Allocation plan: Disbursement of 25% of Financial Assistance;
3. Completion of Revision Requests/Appeals Processes: Disbursement of 25% of Financial Assistance; and
4. Delivery to SCAG and approval by SCAG of Final Subregional Housing Allocation: Disbursement of 25% of Financial Assistance.

Subregion shall submit sufficient documentation to SCAG to evidence its completion of the above-mentioned performance milestones prior to disbursement of the Financial Assistance. By way of example, in order to evidence completion of the appeals process, Subregion shall submit a written report to SCAG detailing the appeal process, including information relating to the number of appeals and its respective outcomes. SCAG shall have the right to request and review additional information from Subregion in order to approve disbursement of the Financial Assistance.

VII. Termination of Agreement.

- A. Termination by Subregion. Subregion shall have the right to terminate this Agreement without cause by giving written notice to SCAG by no later than December 31, 2011, of its intent to terminate. In such event all finished or unfinished documents, data, studies, reports or other materials prepared by Subregion relating to this Agreement shall be given to SCAG. In the event of termination, Subregion shall forfeit any Financial Assistance not disbursed by SCAG.
- B. Termination by SCAG. SCAG shall have the right to terminate this Agreement with cause, including but not limited to, if SCAG has a reasonable basis to conclude that Subregion shall be unable to fulfill in a timely and proper manner its duties under this Agreement. SCAG shall provide written notice to Subregion of its intent to terminate this Agreement, which shall be effective ten (10) days from the date on the notice. In the event of such termination, all finished or unfinished documents, data, studies, reports or other materials prepared by Subregion relating to this Agreement shall be given to SCAG in order for SCAG to determine the local allocation of need for all cities and counties within the Subregion. By termination of this Agreement, SCAG reserves the right to distribute the share of regional housing need to cities and counties within the Subregion. In the event of termination by SCAG, Subregion shall forfeit any Financial Assistance not disbursed by SCAG.

VII. Other Provisions.

- A. Notices. All notices required to be delivered under this Agreement or under applicable law shall be personally delivered, or delivered by U.S. mail,

certified, or by reputable document delivery service such as Federal Express. Notices personally delivered or delivered by a document delivery service shall be effective upon receipt. Notices shall be delivered as follows:

SCAG: Southern California Assn. of Governments
Attn: Douglas Williford,
Deputy Executive Director of Planning
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017-3435

Subregion: (Name of Subregional Entity)
Attn: _____

- B. Prohibition against Assignment/Subcontract. Subregion shall not assign or subcontract any rights, duties or obligation in this Agreement.
- C. Governing Law. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California.
- D. Time is of Essence. Time is expressly made of the essence with respect to the performance of the Parties and of each and every obligation and condition of this Agreement.
- E. Amendments in writing. This Agreement cannot be orally amended or modified. Any modification or amendment hereof must be in writing and signed by the Party to be charged.
- F. Interpretation: Days. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. Whenever the word "day" or "days" is used herein, such shall refer to calendar day or days, unless otherwise specifically provided herein. Whenever a reference is made herein to a particular Section of this Agreement, it shall mean and include all subsections and subparts thereof.
- G. Exhibits. All exhibits referred to in this Agreement are attached hereto and incorporated herein by reference.
- H. Cooperation between the Parties/Dispute Resolution. SCAG and Subregion are each undertaking the responsibilities of this Agreement for the benefit of their respective members. The Parties agree and acknowledge that it is their best interest to engage in cooperation and coordination with each other in order to carry out its responsibilities herein. In this spirit of cooperation, the

Parties agree that neither party will seek any action in law or in equity. Disputes regarding the interpretation or application of any provision of this Agreement shall be resolved through good faith negotiations between the Parties. Changes in exigent circumstances or the RHNA Law may cause a party to conclude that this Agreement should be amended. If the Parties cannot agree on changes to this Agreement, the Parties can terminate this Agreement; in no event shall either Party seek any legal or equitable remedy against the other.

- I. Entire Agreement. This Agreement constitutes the entire understanding between the Parties. All prior agreements or understandings, whether oral or written, are superseded. Each Party is entering this Agreement based solely upon the representations set forth herein. This Agreement may be executed in counterpart originals, and when the original signatures are assembled together, shall constitute a binding agreement of the Parties.

[Signature Page to follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by its duly authorized officers, shall become effective as of the date in which the last of the Parties, whether SCAG or Subregion, executes this document.

**SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
("SCAG")**

**(NAME OF SUBREGIONAL ENTITY)
("Subregion")**

By _____

By _____

Date _____

Date _____

Approved as to form:

Approved as to form:

Joann Africa, Chief Counsel

By _____
Counsel for Subregion

Exhibit "A"

California Govt. Code Sections 65584-65584.05 ("RHNA" Statutes)

§ 65584. Existing and projected regional housing needs; share of city or county needs; determination; objectives; household income levels; exemption from environmental regulations

(a)(1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

(b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 with the advice of the department.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall be consistent with all of the following 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, and the encouragement of efficient development patterns.

(3) Promoting an improved intraregional relationship between jobs and housing.

(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 decennial United States census.

(e) For purposes of this section, "household income levels" are as determined by the department as of the most recent decennial census pursuant to the following code sections:

- (1) Very low incomes as defined by Section 50105 of the Health and Safety Code.
 - (2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.
 - (3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.
 - (4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.
- (f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

§ 65584.01. Existing and projected regional housing needs; manner of determination

(a) For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(b) 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 planning period, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 3 percent of the total regional population forecast for the planning period over the same time period 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 growth projected by the council of governments and the total population growth projected for the region by the Department of Finance is greater than 3 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.

(c)(1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

- (A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (D) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs.
- (E) Other characteristics of the composition of the projected population.

(F) The relationship between jobs and housing, including any imbalance between jobs and housing.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (F), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments.

(d)(1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (c). The region's existing and projected housing need shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan. Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (b), and shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (c). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (c), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (c).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made.

§ 65584.02. Existing and projected regional housing needs; alternative manner of determination

(a) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the existing and projected need for housing may be determined for each region by the department as follows, as an alternative to the process pursuant to Section 65584.01:

(1) In a region in which at least one subregion has accepted delegated authority pursuant to Section 65584.03, the region's housing need shall be determined at least 26 months prior to the housing element update deadline pursuant to Section 65588. In a region in which no subregion has accepted delegation pursuant to Section 65584.03, the region's housing need shall be determined at least 24 months prior to the housing element deadline.

(2) At least six months prior to the department's determination of regional housing need pursuant to paragraph (1), a council of governments may request the use of population and household forecast assumptions used in the regional transportation plan. This request shall include all of the following:

(A) Proposed data and assumptions for factors contributing to housing need beyond household growth identified in the forecast. These factors shall include allowance for vacant or replacement units, and may

include other adjustment factors.

(B) A proposed planning period that is not longer than the period of time covered by the regional transportation improvement plan or plans of the region pursuant to Section 14527, but a period not less than five years, and not longer than six years.

(C) A comparison between the population and household assumptions used for the Regional Transportation Plan with population and household estimates and projections of the Department of Finance.

(b) The department shall consult with the council of governments regarding requests submitted pursuant to paragraph (2) of subdivision (a). The department may seek advice and consult with the Demographic Research Unit of the Department of Finance, the State Department of Transportation, a representative of a contiguous council of governments, and any other party as deemed necessary. The department may request that the council of governments revise data, assumptions, or methodology to be used for the determination of regional housing need, or may reject the request submitted pursuant to paragraph (2) of subdivision (a). Subsequent to consultation with the council of governments, the department will respond in writing to requests submitted pursuant to paragraph (1) of subdivision (a).

(c) If the council of governments does not submit a request pursuant to subdivision (a), or if the department rejects the request of the council of governments, the determination for the region shall be made pursuant to Sections 65584 and 65584.01.

§ 65584.03. Subregional entity for allocation of existing and projected housing needs; notification of formation; determination; failure to complete allocation

(a) At least 28 months prior to the scheduled housing element update required by Section 65588, at least two or more cities and a county, or counties, may form a subregional entity for the purpose of allocation of the subregion's existing and projected need for housing among its members in accordance with the allocation methodology established pursuant to Section 65584.04. The purpose of establishing a subregion shall be to recognize the community of interest and mutual challenges and opportunities for providing housing within a subregion. A subregion formed pursuant to this section may include a single county and each of the cities in that county or any other combination of geographically contiguous local governments and shall be approved by the adoption of a resolution by each of the local governments in the subregion as well as by the council of governments. All decisions of the subregion shall be approved by vote as provided for in rules adopted by the local governments comprising the subregion or shall be approved by vote of the county or counties, if any, and the majority of the cities with the majority of population within a county or counties.

(b) Upon formation of the subregional entity, the entity shall notify the council of governments of this formation. If the council of governments has not received notification from an eligible subregional entity at least 28 months prior to the scheduled housing element update required by Section 65588, the council of governments shall implement the provisions of Sections 65584 and 65584.04. The delegate subregion and the council of governments shall enter into an agreement that sets forth the process, timing, and other terms and conditions of the delegation of responsibility by the council of governments to the subregion.

(c) At least 25 months prior to the scheduled revision, the council of governments shall determine the share of regional housing need assigned to each delegate subregion. The share or shares allocated to the delegate subregion or subregions by a council of governments shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan. Prior to allocating the regional housing needs to any delegate subregion or subregions, the council of governments shall hold at least one public hearing, and may consider requests for revision of the proposed allocation to a subregion. If a proposed revision is rejected, the council of governments shall respond with a written explanation of why the proposed revised share has not been accepted.

(d) Each delegate subregion shall fully allocate its share of the regional housing need to local governments within its subregion. If a delegate subregion fails to complete the regional housing need allocation process among its member jurisdictions in a manner consistent with this article and with the delegation agreement between the subregion and the council of governments, the allocations to member jurisdictions shall be made by the council of governments.

§ 65584.04. Methodology for distributing existing and projected regional housing need to cities and counties; development; survey of member jurisdictions; public participation; factors; adoption following public comment period; coordination with regional transportation plan

(a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in subdivision (d) of Section 65584.

(b)(1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).

(2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.

(3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).

(c) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship.

(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.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

(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.

(4) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) 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.

(7) High-housing cost burdens.

(8) The housing needs of farmworkers.

(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.

(10) Any other factors adopted by the council of governments.

(e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section 65584. The methodology may include numerical weighting.

(f) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section 65584.05.

(h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

(i)(1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.

(2) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low- and very low income households.

(3) The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan.

§ 65584.05. Draft allocation of regional housing needs; distribution; request for revisions and modification; appeal; public hearings; proposed final allocation and adoption of final plan; authority of council of governments

(a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, based on the methodology adopted pursuant to Section 65584.04. The draft allocation shall include the underlying data and methodology on which the allocation is based. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section 65584.03.

(b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

(c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section 65584.04, why the proposed revision is inconsistent with the regional housing need.

(d) If the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government may appeal its draft allocation based upon either or both of the following criteria:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The council of governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04.

(e) The council of governments or delegate subregion, as applicable, shall conduct public hearings to hear all appeals within 60 days after the date established to file appeals. The local government shall be notified within 10 days by certified mail, return receipt requested, of at least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days after the date of the notification. Before taking action on an appeal, the council of governments or delegate subregion, as applicable, shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the council of governments or delegate subregion, as applicable, on an appeal shall be in writing and shall include information and other evidence explaining how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the allocation of a local government that is not the subject of an appeal.

(f) The council of governments or delegate subregion, as applicable, shall issue a proposed final allocation within 45 days after the completion of the 60-day period for hearing appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.

(g) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the revision request process and the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the council of governments shall include the alternative distribution in the final allocation plan.

(h) Within 45 days after the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. The council of governments shall submit its final allocation plan to the department within three days of adoption. Within 60 days after the department's receipt of the final allocation plan adopted by the council of governments, the department shall determine whether or not the

final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

Exhibit “B” – RHNA Subregional Delegation Timeline

By June 30, 2011	Notice of Intent submitted by proposed Subregional Entity
By July 30, 2011	SCAG to provide Subregional Entity with Growth Forecast information and survey information regarding AB 2158 factors
By August 31, 2011	State HCD to provide SCAG with Regional Housing Need Determination
By August 31, 2011	Deadline for SCAG and Subregional Entity to enter into Delegation Agreement (adopting resolutions to be approved beforehand)
By Sept. 30, 2011	SCAG to provide Subregional Entity with Subregional Housing Need Determination as part of public hearing
By Oct. 31, 2011	SCAG releases its proposed Regional Allocation Methodology; Subregional Entity releases its proposed Subregional Allocation Methodology
By Dec. 31, 2011	SCAG approves final Regional Allocation Methodology; Subregional Entity approves final Subregional Allocation Methodology; last day for Subregional Entity to terminate Delegation Agreement and relinquishes its delegation responsibilities
By April 5, 2012	SCAG releases Draft RHNA Plan; Subregional Entity Releases Draft Subregional Housing Allocation Plan
Spring-Summer 2012	Revisions requests and/or appeals (if any) processes by SCAG and Subregional Entity
By August 31, 2012	Subregional Entity to approve its Final Subregional Housing Allocation Plan and submit it to SCAG
By October 4, 2012	SCAG to approve its Final RHNA Plan, which incorporates the Final Subregional Housing Allocation Plan by the Subregional Entity; Submittal of Final RHNA Plan to State HCD
By December 4, 2012	Deadline for HCD to approve SCAG’s Final RHNA Plan
October 31, 2013	Deadline for updates of Local Housing Elements