MEMO

DATE: October 10, 2005

TO: Community, Economic and Human Development Committee

FROM: Joseph Carreras, Lead Planner

RE: Review of SCAG's Regional Housing Needs Assessment (RHNA) Responsibilities and Schedule

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Summary:

SCAG's focus will be to develop a policy rather than a statistically based RHNA that emphasizes the use of improved growth data locally to help subregions and communities "house their own", and identify priority investment zones where incentives may be targeted to encourage additional housing development

Councils of Government (COGs) have a set of new statutory obligations to prepare regional housing needs assessments (RHNA), as part of the local housing element statutory update requirement. The COG requirements and milestones for meeting housing need determination requirements are contained in one part of the updated housing element law (AB2158l), while the use of RHNA targets are provided in another updated section (AB2358). New housing element reform legislation effects the current process, and there is a great deal of uncertainty about how the RHNA process will be funded as reimbursement from the Local State Mandate Commission for RHNA expenditures is no longer permitted. There is authority to charge fees in order to recover costs.

The State Department of Housing and Community Development (HCD) recently approved SCAG's request to coordinate the next RHNA with its 2007 Regional Transportation Plan forecasting. The July 6 letter is posted on the SCAG website. Key milestones and dates are:
- Duration of housing elements in the SCAG region will be 6 years;
- Consultation on the regions' share of statewide housing need starts 11-1-05.
- Determination of region's housing share occurs by 5-1-06.
- Final determination of local housing allocation shares occurs by 7-1-07.
- Adopted housing elements due by 7-1-08.

For more information, please go to:
www.scag.ca.gov/downloads/home/HCDRHNA_070705ltr. pdf.

Background:

AB 2158 Lowenthal (Ch. 696, Stats. of 2004) Housing Element
This 2004 law revises the process for determining regional housing needs. It includes criteria for councils of governments to use in establishing their methodology for calculating local housing shares, specifies means of adjusting regional housing need numbers, and provides for sharing of

housing allocations between jurisdictions. It amends (Government Code) Sections 65582 and 65584 and adds Gov. code Sections 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, and 65584.07.

AB 2348 Mullin (Ch. 724, Stats. of 2004) Housing Element
This 2004 law amends the criteria for preparing the inventory of available housing sites to meet RHNA goals identified in the local housing element, and provides greater residential development certainty. AB 2348 also expands relocation assistance available to persons displaced from sites identified for substantial rehabilitation. It amends Gov. Code Sections 65583, 65583.1, 65589.5, and 65915 and adds Gov. Code Section 65583.2.

The new law requires:
1. A parcel-specific land inventory;
2. A land inventory analysis that identifies the capacity of each site to meet the housing need;
3. An adequate sites analysis to determine whether the inventory has identified sufficient sites to accommodate RHNA goals in total and by income group.

Newly issued HCD guidance on implementing AB 2348 land inventory requirements for addressing RHNA goals, including Housing Element Default densities by Jurisdiction are available on the State HCD website.
http://housing.hcd.ca.gov/hpd/hrc/plan/he/ab2348stat04ch724.pdf

The statewide working group that negotiated the provisions contained in both of these new housing laws included the League of Cities, planners, developers and others, including SCAG representatives. Staff has prepared a presentation on major features of these new laws and their potential impact on the RHNA process:
http://api.ucla.edu/rhna/Regionaltrendsdevelopment/SBC_New_Housing_Laws_files/frame.htm.