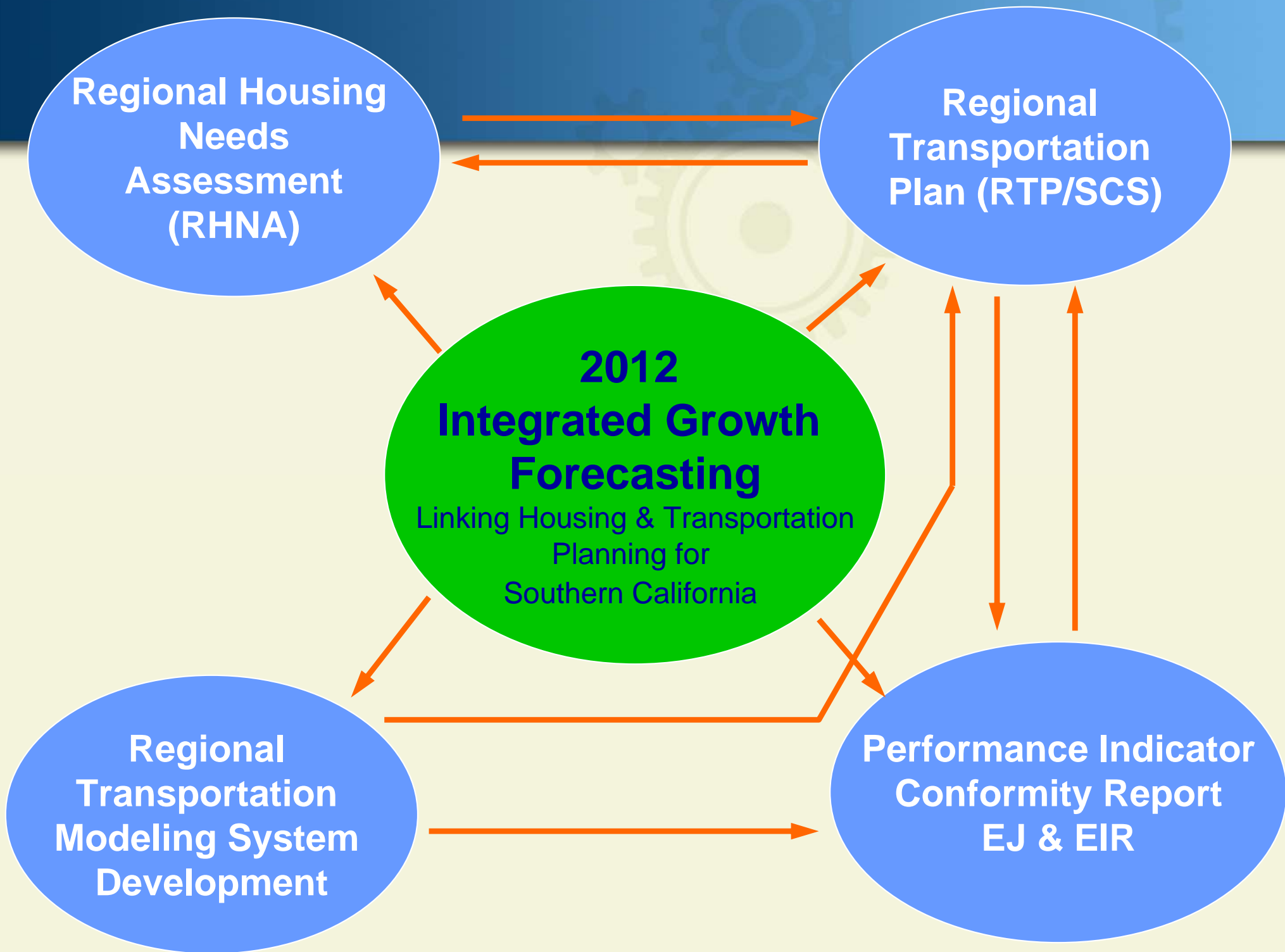




SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

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

April 13, 2011



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



RHNA 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, farmworkers, female households, and families and persons in need of emergency shelter.
- An analysis of existing assisted housing developments

RHNA 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

RHNA 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 Extreme Low (<30%)

RHNA Methodology Framework

Additional Issues for HCD Consultation

- Growth forecast and housing need on the 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

RHNA 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: $\underline{24.2\%} = 29.5\% - (29.5\% - 24.7\%) \times 110\%$
 - Low: $\underline{15.6\%} = 16.8\% - (16.8\% - 15.7\%) \times 110\%$
 - Moderate: $\underline{17.1\%} = 16.6\% - (16.6\% - 17.1\%) \times 110\%$
 - Above moderate: $\underline{43.1\%} = 37.1\% - (37.1\% - 42.6\%) \times 110\%$

RHNA 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
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