DRAFT RHNA Methodology – Presented to CEHD Committee on October 21, 2019

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

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

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

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

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

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

Guiding Principles for RHNA Methodology

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

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

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

Proposed RHNA Distribution Methodology

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

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

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

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

Draft RHNA Methodology

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

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

Determining Existing Need and Projected Need

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

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

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

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

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

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

1. Determine a jurisdiction's projected housing need
   a. Assign household growth to jurisdictions based on SCAG's Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast between 2020 and 2030.
   b. Calculate a jurisdiction's future vacancy need by applying a healthy market vacancy rate separately to the jurisdiction's owner and renter households
   c. Assign a replacement need to jurisdictions based on each jurisdiction's share of regional net replacement need based on information collected from the replacement need survey submitted by local jurisdictions

2. Determine a jurisdiction's existing housing need
   a. Assign 50 percent of regional existing need to jurisdictions based on each jurisdiction's share of regional household growth between 2030 and 2045[2]
   b. Assign 25 percent of regional existing need based on a jurisdiction's share of region's population within the high quality transit areas (HQTAs) based on future 2045 HQTAs
   c. Assign 25 percent of regional existing need based on a jurisdiction's share of the region's jobs that can be accessed within a 30-minute driving commute
   d. Allocate residual existing need based on excess of jurisdictional household growth between 2020 and 2045, if any, to jurisdictions that have (i) above median job access, (ii) above median transit access, and (iii) have less than 50 percent of their population in disadvantaged areas.

3. Determine four RHNA income categories (very low, low, moderate, and above moderate)
   a. Use a minimum of 150% social equity adjustment
   b. Add an additional percentage of social equity adjustment to jurisdictions that have a high concentration of very low or very high resource areas using the California Tax Credit Allocation Committee (TCAC)'s index scoring
      i. Add a 10% social equity adjustment to areas that are designated as 70-80% very high or very low resource area
      ii. Add a 20% social equity adjustment to areas that are designated as 81-90% very high or very low resource area
      iii. Add a 30% social equity adjustment to areas that are designated as 91-100% very high or very low resource area

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

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

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

Total regional need	1,344,740	

Step 1: Determine Projected Housing Need

The first step of the draft RHNA methodology is to determine a jurisdiction's projected need. From the regional determination, projected need is considered regional household growth, regional future vacancy need, and regional replacement need.
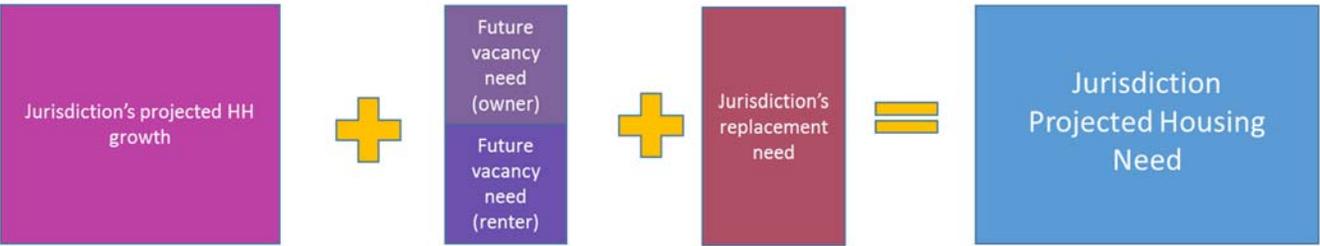
To determine a jurisdiction's projected need, SCAG staff recommends a three-step process:

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

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Step 1a: Projected Household Growth

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

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

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

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

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

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

Step 1b: Future Vacancy Need

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

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

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

Step 1c: Replacement Need

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

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through the loss of a vacant unit for a new household or subtracting from the jurisdictions number of households.

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

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

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

Step 2: Determine Existing Housing Need

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

- Fifty (50) percent on household growth between 2030 and 2045, or 31 percent of total need
- Twenty-five (25) percent on population near transit (HQTA), or 15.5 percent of total need
- Twenty-five (25) percent on job accessibility, or 15.5 percent of total need
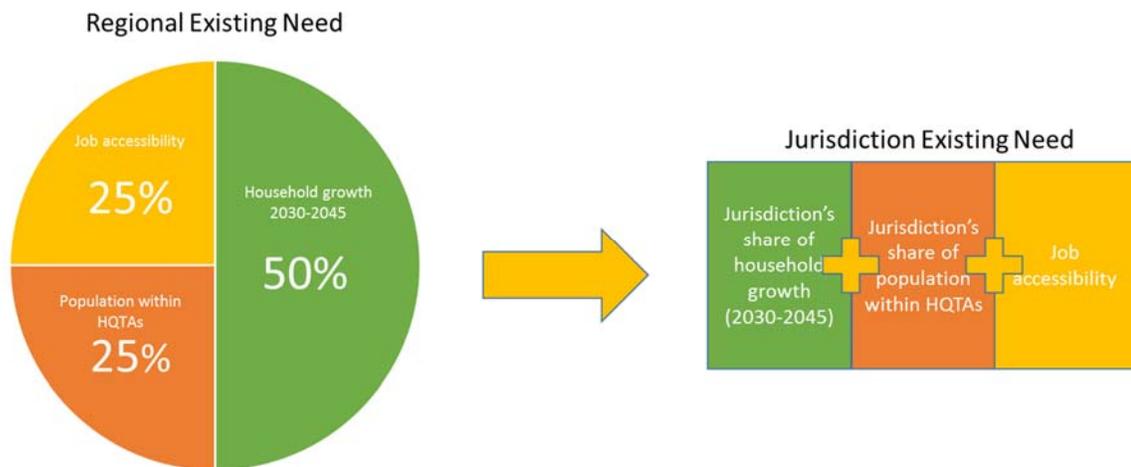
Step 2a: Share of Household Growth

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

Step 2b: Share of Regional HQTA Population

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

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

Step 2c: Job Accessibility

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

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

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

This measure is multiplied by a jurisdiction's share of total population in order to allocate housing unit need to jurisdictions. This important step ensures that the potential beneficiaries of greater accessibility (i.e., the population in a jurisdiction with good job access) are captured in the

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methodology. Based on this approach, jurisdictions with limited accessibility to jobs will receive a smaller RHNA allocation based on this component.
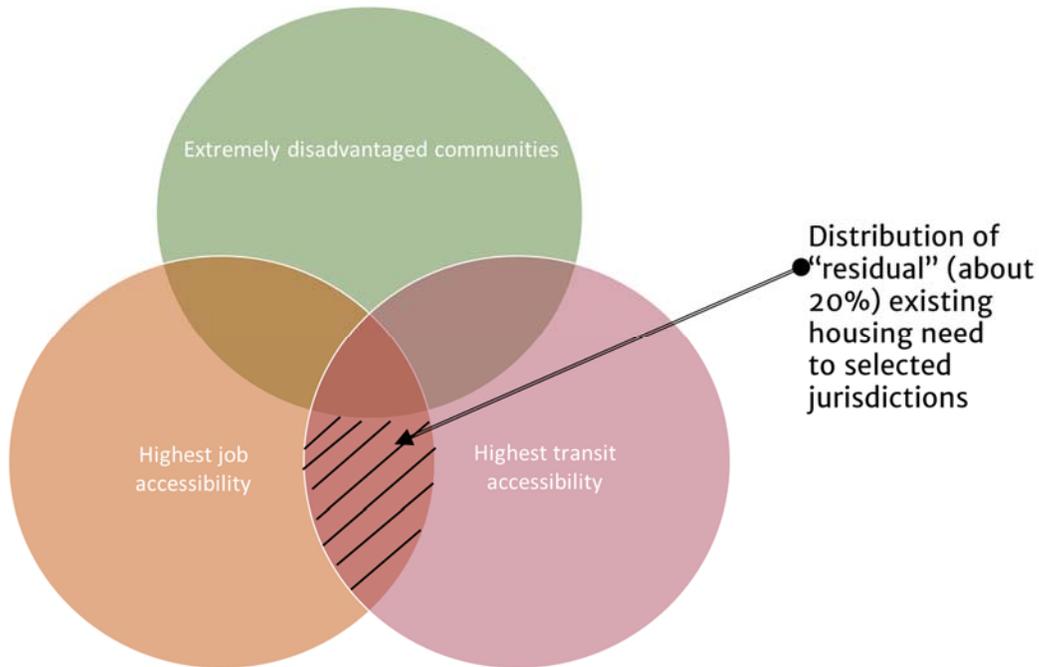
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Step 2d: "Residual" Adjustment Factor for Existing Need

In a large number of jurisdictions, the calculated projected and existing need is higher than its household growth between 2020 and 2045, as determined by the SCAG Growth Forecast used in the Connect SoCal regional plan. Jurisdictions that have a need as determined by the draft methodology as higher than its 2020 to 2045 household growth[3] will be considered as having a "residual" existing need. Residual need will be subtracted from jurisdictional need in these cases so that the maximum a jurisdiction will receive for existing need is its 2020 to 2045 household growth.. Not all jurisdictions will have a residual existing need.
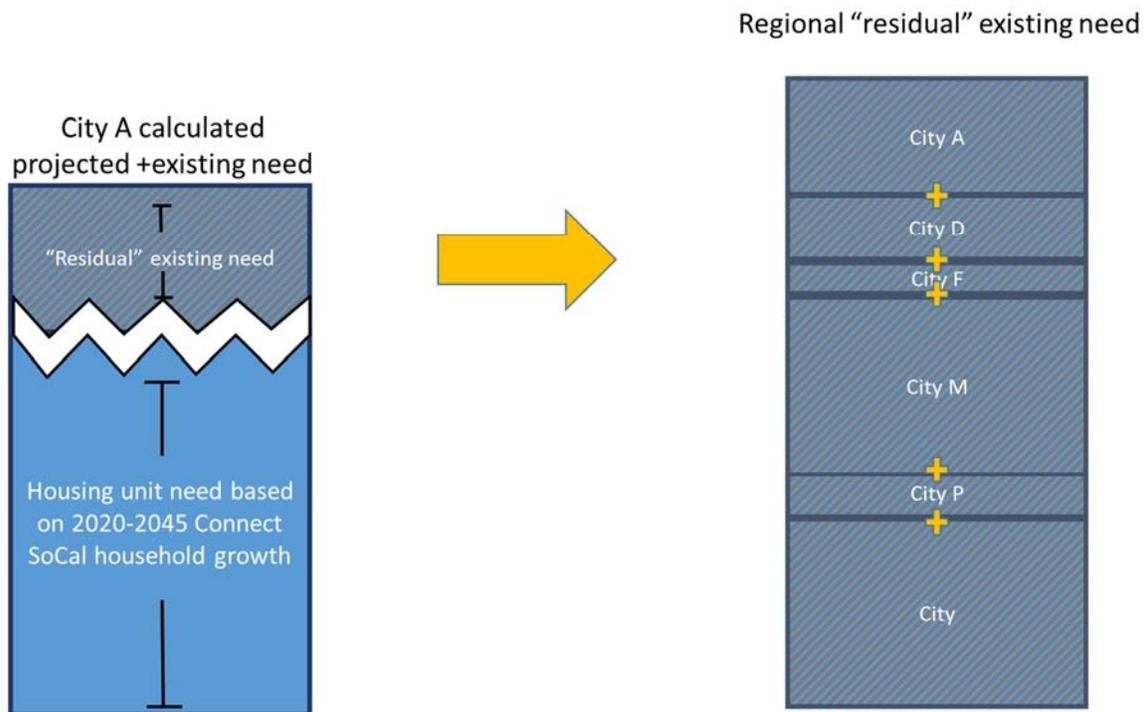
A regional total of residual existing need, which represents about twenty (20) percent of existing need, will be calculated and then redistributed. The redistribution will be assigned to jurisdictions that have both high transit accessibility and high job accessibility, and will exclude jurisdictions which have a high share of their populations in very low resource areas using California Tax Credit Allocation Committee (TCAC) Opportunity Indices.

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[3] [3] Since HCD's regional determination of 1,344,740 exceeds SCAG's 2020-2045 household growth forecast of 1,297,000 by 3.68 percent, for the purposes of existing need allocation, exceeding "local input" or "Connect SoCal" household growth shall mean exceeding 1.0368 times household growth.

Extremely disadvantaged communities

Highest job accessibility

Highest transit accessibility

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

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

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

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

Step 3: Determining Four Income Categories through Social Equity Adjustment

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

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

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

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

Social equity adjustment

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

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For reference, below is the median household income by county.
- Imperial County: $44,779
- Los Angeles County: $61,015
- Orange County: $81,851
- Riverside County: $60,807
- San Bernardino County: $57,156
- Ventura County: $81,972
- SCAG region: $64,114

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

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

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

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

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

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

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

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

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

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

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

Economic	Environment	Education
Poverty	CalEnviroScreen 3.0 indicators	Math proficiency
Adult education	• *Ozone*	Reading proficiency
Employment	• *PM2.5*	High school graduation rates
Low-wage job proximity	• *Diesel PM*	Student poverty rate
Median home value	• *Drinking water contaminates*	
	• *Pesticides*	
	• *Toxic releases from facilities*	
	• *Traffic density*	
	• *Cleanup sites*	
	• *Groundwater threats*	
	• *Hazardous waste*	
	• *Impaired water bodies*	
	• *Solid waste sites*	

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

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

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

- Highest resource

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

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

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

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

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

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

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

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

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

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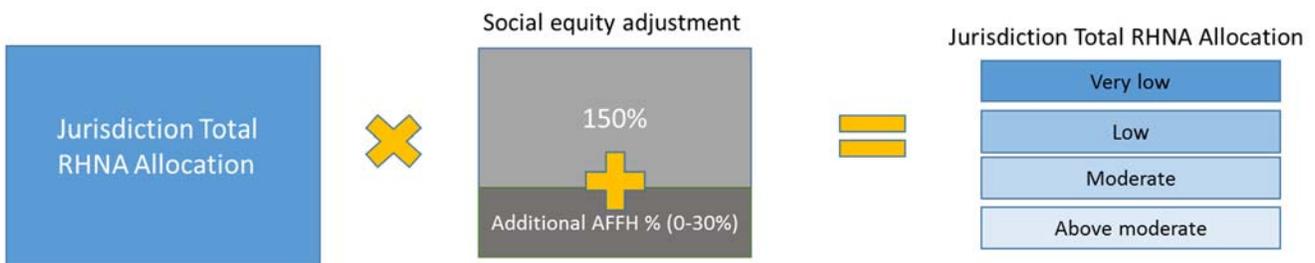
Final Adjustments
On a regional level the final RHNA allocation plan must be the same as the regional determination, by income category, provided by HCD. The draft RHNA methodology will result in slight differences, among income categories, since income categories are required to use county distributions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

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

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Comparison with Proposed Methodology Options 1, 2, and 3

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

Proposed Methodology Option 1

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

1. Determine existing housing need
    a. Assign 70 percent of regional existing need to jurisdictions based on each jurisdiction's share of the regional population
    b. Assign 20 percent of regional existing need based on a jurisdiction's share of population within the regional high quality transit areas (HQTAs)
    c. Assign 10 percent of regional existing need based on a jurisdiction's relative share of regional building activity
    d. Apply a 110 percent social equity adjustment to determine three income categories (very low, low, and moderate)

2. Determine projected housing need
    a. Assign household growth to jurisdictions based on each jurisdiction's share of regional household growth based on the local input data provided as part of SCAG's 2020 Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast.
    b. Calculate a jurisdiction's future vacancy need by applying a healthy market vacancy rate separately to the jurisdiction's owner and renter households
    c. Assign a replacement need to jurisdictions based on each jurisdiction's share of regional replacement need based on information collected from the replacement need survey submitted by local jurisdictions
    d. Apply a 150 percent social equity adjustment to determine four income categories (very low, low, moderate, and above moderate)

3. Add the existing housing need by income category from step 1 and the projected housing need by income category from step 2 together to determine a jurisdiction's total RHNA allocation and by income category

Proposed RHNA Methodology Option 2

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

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

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      b. Assign 20 percent of regional need based on a jurisdiction's share of population within the regional high quality transit areas (HQTAs)

2. Determine four income categories from total need
      a. Apply a 150 percent social equity adjustment to determine four income categories (very low, low, moderate, and above moderate)

Proposed RHNA Methodology Option 3

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

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

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

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

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

- *Change to basis of transit accessibility (population within HQTA) to 2045 HQTAs to determine existing need*
  The use of 2045, or projected, HQTAs in lieu of existing HQTAs allows for a better linkage to SCAG's Connect SoCal regional transportation plan.

- *Addition of job accessibility to determine existing need*
  An overwhelming number of comments verbal and written comments indicated that tying jobs to housing was a crucial part of regional planning and should be included in the draft methodology. After careful consideration of a variety of mechanisms, SCAG staff developed a formula based on each jurisdiction's share of jobs accessible within a 30-minute drive commute based on transportation analysis zones (TAZs) and the jurisdiction's 2045 population size. To strengthen the connection to the Connect SoCal plan, the draft methodology uses the number of jobs and locations based on modelling output from the Connect SoCal plan.

- *Addition of household growth to determine existing need*
  To ensure consistency with transit accessibility and job accessibility components, household growth between 2030 and 2045 was added as a factor in determining existing need. The use of household growth will support any planned infrastructure and amenity improvements needed to support employment and transit areas in 2045.

- *Removal of current population share to determine existing need*
  Including current population share while measuring job and transit accessibility using 2045 data will result in policy inconsistency among factors used to determine existing need. Basing current population share while using data for future employment and transit accessibility will result in gaps between infrastructure and other improvements needed to support job and transit growth.

- *Removal of permit activity to determine existing need*
  After careful review of several comments on this component, SCAG staff recommends that the draft RHNA methodology not include this as a factor for housing distribution. The primary reason is that the data source used to determine building activity, the Construction Industry Research Board (CIRB), may not be perfectly consistent with jurisdictions' own records of new residential units added. Some jurisdictions may end up with a higher or lower report on new

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

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

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

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

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

As mentioned above, solely using local input to the Growth Forecast as the only factor in the RHNA methodology does not further State housing objectives, yet it is equally important not to completely exclude it from the methodology. SCAG's 2020 Connect SoCal Growth Forecast has been developed over multiple years using multiple data sources, including the California Department of Finance (DOF) and the American Community Survey (ACS) and included extensive review by panels of experts and partner agencies. The use of the Growth Forecast at the jurisdictional level in determining the RHNA *projected* need also ensures the RHNA allocation is aligned and consistent with Connect SoCal, a requirement of SB 375.

Input from local jurisdictions is an important step in strengthening the Growth Forecast to ensure that relevant local concerns and conditions are reflected at the jurisdictional level. The Connect SoCal Growth Forecast captures household growth at the jurisdictional level. The RHNA methodology adds on an important policy layer, among others, assigning the total units into four RHNA income categories, as further described above.   A further analysis on the consistency requirements between RHNA and Connect SoCal is attached to this document.

Additionally, the RHNA methodology also requires consideration of planning factors, such as agreements to preserve agricultural land and open space, farmworker housing, and presence of universities and colleges. A separate survey specifically focused on these local planning factors was conducted in Spring 2019 to gather additional information specified in State housing law, in which a full analysis is found in a later section of this document. These factors do not apply to all jurisdictions but the process of collecting local input on the Growth Forecast ensures that these important considerations are not conducted in a vaccum and provides a mechanism for integrating them into the RHNA allocation methodology. Local input provides a key role in identifying existing and future planning opportunities and constraints, and should have a role in the RHNA methodology.

Meeting the Objectives of RHNA

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

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

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

(3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

(5) Affirmatively furthering fair housing.

> (e) For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

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

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

- *Using projected household growth: Objective 1*
  The inclusion of local input on SCAG's Growth Forecast for household growth between 2020 and 2030 will increase housing supply and mix of housing types, along with promoting infill development. Collected from the local input process, projected household and population growth forms the basis of the concurrent Connect SoCal (2020 Regional Transportation Plan/Sustainable Communities Strategy) development patterns. Local input reflects opportunities and constraints at the jurisdictional level, including preserving open space and agricultural resources and strategies to help reduce regional greenhouse gas emissions. The inclusion of local input to help determine projected household growth allows for the RHNA allocation to accommodate local efforts in meeting regional housing objectives.

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

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

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

- *Transit Accessibility: Objective 2*
  As well as being a regionally equitable approach, assigning need based on a jurisdiction's share of the region's population within HQTAs promotes additional objectives of State housing law. Linking regional housing planning to regional transportation and land use planning will increase housing supply and mix of housing types, promotes infill development, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets. Moreover, the linkage to HQTAs used in the Connect SoCal plan ensures consistency with the development pattern of the Sustainable Communities Strategy, per Government Code Section 65584.04(m).

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

- *Job Accessibility: Objectives 2 and 3*
  The draft RHNA methodology assigns part of existing need directly based on job accessibility. This factor furthers not only the objective of promoting an intraregional relationship between jobs and housing, but also encourages more efficient development patterns by encouraging more housing near employment areas, which will avoid increasing commute times regionally. Similarly, increasing access to jobs also increases housing supply and types in these areas due to the promotion of a more efficient development pattern.

- *Redistribution of "Residual" Existing Housing Need: Objectives 2, 3, 4, and 5*
  Existing need that is above a jurisdiction's 2045 household growth will be redistributed back to jurisdictions based on two main factors – transit accessibility and job accessibility. This redistribution strengthens the linkage between the RHNA process and SCAG's Connect SoCal transportation and land use plan, which encourages more efficient development patterns to reduce greenhouse gas emissions, and furthers the housing objective of improving the relationship between jobs and housing.

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

- *Social Equity Adjustments: Objectives 4 and 5*
  The social equity adjustments applied to existing need and projected need meet the socioeconomic equity and affirmatively furthering fair housing objectives of State housing law. By redistributing income categories across each county, a social equity adjustment avoids assigning additional need in income categories where there is already a high concentration. The higher the percentage used for social equity adjustment, the more accelerated the applied change over the eight-year planning period. This component promotes a mix of housing types, tenure, and affordability, along with socioeconomic equity and affirmatively furthering fair housing and a higher percentage accelerates these objectives.

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

- *AFFH Adjustment: Objectives 4 and 5*
  The TCAC Opportunity Indices include several measures in determining resource levels in different census tracts across the SCAG region. These measures are based on three domains: health and environment, education, and economics, which cover eleven (11) different indicators that measure local conditions relating to racial segregation and concentration of poverty. The inclusion of the Opportunity Indices in the draft RHNA methodology furthers the objectives of AFFH by increasing access to housing opportunity and addressing historical segregation patterns. By extending the use of the Opportunity Indices, it mitigates the overconcentration of income groups by shifting a higher percentage of low income households to areas with higher income and resource areas.

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

Local Planning Factors

As part of the development of the proposed RHNA methodology, SCAG must conduct a survey of planning factors that identify local conditions and explain how each of the listed factors are incorporated into the RHNA methodology. This survey, also known as the "Local Planning Factor" survey, is a specific requirement for the RHNA methodology process and is separate from the local review process of the Growth Forecast used as the basis for determining future growth in the Connect SoCal plan.

The survey was distributed to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. One-hundred and nine (109) jurisdictions, or approximately 55%, submitted a response to the local planning factor survey. To facilitate the conversation about local planning factors, between October 2017 and October 2018 SCAG included these factors as part of the local input survey and surveyed a binary yes/no as to whether these factors impacted jurisdictions. The formal local planning factor survey was pre-populated with the pre-survey answers to help facilitate survey response. The full packet of local planning factor surveys can be downloaded at www.scag.ca.gov/rhna.

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

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

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

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

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In regard to furthering the objective of increasing access to affordable housing in proximity to low-wage jobs, there are data limitations in determining an appropriate jobs housing fit, or jobs accessible to low wage workers. SCAG staff reviewed U.S. Census data (from Longitudinal Employer-Household Dynamics, or LEHD Origin-Destination Employment Statistics – LODES) that examined low wage workers and low wage jobs and concluded that basing a total RHNA allocation on this factor may not provide an accurate snapshot of spatial relationships between low wage jobs and affordable housing. Among the limitations are that the study did not include owner-occupied housing due to data complications and that low wage jobs were defined as those paying approximately $15,000 annually, which creates a definition of low wage that is too narrow for much of the SCAG regional population. Additionally, in the circumstance of a worker holding two or more jobs, only the highest paying job is counted. These limitations would result in an analysis that will miss the bigger picture of assigning affordable housing since both the available data on low wage workers and low wage jobs provide an incomplete story on spatial and economic relationships.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was*

approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.

This planning factor has been identified through the local input process and local planning factor survey collection as affecting growth within Ventura County. The urban growth boundary, known as Save Our Agricultural Resources (SOAR), is an agreement between the County of Ventura and its incorporated cities to direct growth toward incorporated areas, and was recently extended to 2050. Based on the input collected, SCAG staff has concluded that this factor is already reflected in the draft RHNA methodology since it was considered and incorporated into the local input submitted by jurisdictions.

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

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

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

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

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

Nonetheless a large number of jurisdictions indicated in the survey that overpaying for housing costs disproportionately impacts lower income households in comparison to higher income households. This issue is exacerbated in areas where there is not enough affordable

housing available, particularly in higher income areas. For this reason, the draft RHNA methodology incorporates not only a 150 percent social equity adjustment, but also uses the TCAC Opportunity Indices to distribute the RHNA allocation into the four income categories in areas identified as being the highest resource areas of the region. The Opportunity Indices include a proximity to jobs indicator, particularly for low-wage jobs, which identifies areas with a high geographical mismatch between low wage jobs and affordable housing. Increasing affordable housing supply in these areas can help alleviate cost-burden experienced by local lower income households because more affordable options will be available.

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

(7) The rate of overcrowding.

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

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

While not specifically surveyed, several jurisdictions have indicated that density has affected their jurisdictions and have requested that the draft methodology should consider this as a factor. While density is not directly addressed as a factor, the social equity adjustment indirectly addresses density particularly for lower income jurisdictions. In housing elements, jurisdictions most demonstrate that a site is affordable for lower income households by applying a "default density", defined in State housing law as either 20 or 30 dwelling units per acre depending on geography and population. In other words, a site that is zoned at 30 dwelling units per acre is automatically considered as meeting the zoning need for a low income household.

However there is not a corresponding default density for above moderate income zoning. Assigning a lower percentage of lower income households than existing conditions indirectly reduces future density since the jurisdiction can zone at lower densities if it so chooses. While this result does not apply to higher income jurisdictions, directing growth toward less dense areas for the explicit purpose of reducing density is in direct contradiction to the objectives of state housing law, especially for promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development pattern.

(8) The housing needs of farmworkers.

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

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

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

SCAG staff has prepared a map outlining the location of four-year private and public universities in the SCAG region along with enrollment numbers from the California School Campus Database (2018). Based on an evaluation of survey responses that indicated a presence of a university within their boundaries, SCAG staff concludes that most housing needs related to university enrollment are addressed and met by dormitories provided by

the institution both on- and off-campus. No jurisdiction expressed concern in the surveys about student housing needs due to the presence of a university within their jurisdiction.

However, some jurisdictions have indicated outside of the survey that off-campus student housing is an important issue within their jurisdictions and are in dialogue with HCD to determine how this type of housing can be integrated into their local housing elements. Because this circumstance applies to only a handful of jurisdictions, it is recommended that housing needs generated by a public or private university be addressed in the jurisdiction's housing element if it is applicable.

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

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

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

In Spring 2019, SCAG conducted a replacement need survey with jurisdictions to determine units that have been replaced on the site of demolished units reported. Region wide 23,545 of the region's demolished units still needed to be replaced based on survey results. The sum of the number of units needing to be replaced based on the replacement need survey and the number of units reported as lost due to recent states of emergency, or 25,330, is lower than HCD's regional determination of replacement need of 34,010. One can reasonably conclude that units lost based on this planning factor are already included in the regional total and distributed, and thus an extra mechanism to distribute RHNA based on this factor is not necessary to meet the loss of units.

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

An assessment of survey responses indicate that a number of jurisdictions in the SCAG region are developing efforts for more efficient land use patterns and zoning that would result in greenhouse gas emissions. These include a mix of high-density housing types,

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neighborhood based mixed-use zoning, climate action plans, and other local efforts to reduce greenhouse gas emissions at the regional level.

The draft RHNA methodology includes a distribution of 25 percent of regional existing need based on a jurisdiction's share of regional population within an HQTA. The linkage between housing planning and transportation planning will allow for a better alignment between the RHNA allocation plan and the Connect SoCal RTP/SCS. It will promote more efficient development land use patterns, encourage transit use, and importantly reduce greenhouse gas emissions. This will in turn support local efforts already underway to support the reduction of regional greenhouse gas emissions.

Moreover the draft methodology includes the Growth Forecast reviewed with local input as a distribution component, particularly for projected housing need. Local input is a basis for SCAG's Connect SoCal Plan, which addresses greenhouse gas emissions at the regional level since it is used to reach the State Air Resources Board regional targets. An analysis of the consistency between the RHNA and Connect SoCal Plan is included as an attachment to this document.

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

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

Affirmatively Furthering Fair Housing (AFFH)

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

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

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

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

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

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

Barriers

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

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

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

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

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

To combat gentrification and displacement, some jurisdictions have established rent-stabilization ordinances while others have established a rent registry so that the jurisdiction can monitor rents and landlord practices. Some jurisdictions have adopted relocation plans and others are actively seeking to extend affordability covenants for those that are expiring.

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

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

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

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

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

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

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

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

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

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

Economic	Environment	Education
Poverty	CalEnviroScreen 3.0 indicators	Math proficiency
Adult education	• *Ozone*	Reading proficiency
Employment	• *PM2.5*	High school graduation rates
Low-wage job proximity	• *Diesel PM*	Student poverty rate
Median home value	• *Drinking water contaminates*	
	• *Pesticides*	
	• *Toxic releases from facilities*	
	• *Traffic density*	
	• *Cleanup sites*	
	• *Groundwater threats*	
	• *Hazardous waste*	
	• *Impaired water bodies*	
	• *Solid waste sites*	

To further the objectives of AFFH, SCAG utilizes the Opportunity indices tool at multiple points in the recommended draft RHNA methodology. Jurisdictions that have the highest concentration of population in low resource areas are exempted from receiving regional residual existing need, which will result in fewer units assigned to areas identified as having high rates of poverty and racial segregation. Additionally, jurisdictions with the highest concentration of population within highest resource areas will receive a higher social equity adjustment, which will result in more access to opportunity for lower income households.

Public Engagement

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

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

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

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

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

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

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