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Orange County
Local Agency
Formation Commission

August 23, 2019

Mr. Kome Ajise
Executive Director
Southern California Association of Governments
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017
SENT VIA EMAIL: housing@scag.ca.gov

SUBJECT: PROPOSED REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) ALLOCATION METHODOLOGY

Dear Mr. Ajise:

The Center for Demographic Research (CDR) at Cal State Fullerton has reviewed the Proposed Regional Housing Needs Assessment (RHNA) Allocation Methodology and its Data Appendix. We recognize all of the work SCAG staff has done to produce these reports and the extensive work with local agencies during the development process. Further, CDR extends our thanks for SCAG's close coordination with us on behalf of Orange County jurisdictions to ensure that the 2018 Orange County Projections (OCP), Orange County's growth forecast, were utilized.

I would also like to express our appreciation for the ongoing coordination regarding the upcoming updates and corrections to the RHNA calculator. Though a new version of the RHNA calculator is forthcoming, some of the draft comments in the matrix below are indicated as pending after feedback from SCAG staff that these are expected to be included in the next iteration of the calculator. I would also like to acknowledge that comments 3 and 4 in the matrix below were prepared prior to the issuance of the draft regional number from HCD. As the income shares provided by HCD to not appear to include a redistribution of the above moderate income category, please also take these comments into consideration for any subsequent RHNA cycles.

We support SCAG's approach to developing an equitable methodology by releasing multiple potential methodologies for public review and comment. After a detailed review of each available option, we ask for your consideration and response to the following:
1. We support the comments provided separately by the Orange County Council of Governments:
   - Local input should underpin the selected RHNA methodology allocation option
   - Support for local input as the floor for any RHNA allocation of projected need
   - Allow time for peer review of new factors or methodologies
   - Adopt a methodology after HCD provides the regional determination
   - Align the definition of HQTAs with Cap and Trade for RHNA purposes
   - Opposition to the reallocation of Above Moderate units
   - Utilize share of growth for household population not total population growth
   - Remove land areas not compatible with residential uses from density calculation
   - Allow for vetting and corrections to CIRB units permitted data
2. Technical comments on the Proposed RHNA Allocation Methodology, Data Appendix, and the RHNA Calculator in Table 1 matrix below.
3. Suggested language changes to the Proposed RHNA Allocation Methodology in the redline version attached to this letter (Attachment C).

Table 1. Comments on Proposed RHNA Allocation Methodologies & Data Appendix Tables

Topic & Page Reference	Question/Comment
All	1. Provide a tracked changes document based on the changes made since publication of the documents for the public comment period. 2. Please see Attachment 3 for a redline version of the Proposed RHNA Allocation Methodology pages 1-53 for text corrections, clarifications and suggestions.
Page 8, Option 1, Step 1d	3. Redistribution of Existing Need Above Moderate units is not consistent with the 6th cycle methodology of assigning total regional need to regions throughout the state. On page 8 of the Proposed RHNA Allocation Methodology, Step 1d discusses the redistribution of the Above Moderate housing units for existing need to the three lower-income categories. Using SCAG's RHNA calculator, with a sample regional allocation of 659,144 units, Option 1 redistributes approximately 63,807 Above Moderate units into the three lower-income categories across the region, about 9.7% of the sample regional allocation total and 42.4% of the existing need total of 150,589. As seen in Table A below, lines 1, 2, and 8 show the differences in the percent shares by income category before and after the proposed redistribution of the Above Moderate units. This makes it impossible to match the allocations and percent shares by income category provided by HCD unless HCD factors the redistribution into its regional determination for SCAG before a decision on a methodology is made by the RHNA subcommittee, CEHD or Regional Council . Table A: Differences in Methods for Redistribution of Existing Need Above Moderate Income Category

	Proportional Share:	Very Low Income	Low Income	Moderate Income	Above Moderate Income
1	Option 1 original 110% social equity adjustment	25.4%	15.5%	16.8%	42.4%
2	Option 1 after redistribution of above moderate units (proportional share)	44.1%	26.9%	29.1%	0.0%
3	Difference: Redistributed – original 110%	+18.7%	+11.4%	+12.3%	-42.4%
4	Option 1 original 110% social equity adjustment	38,242	23,311	25,229	63,807
5	Option 1 after redistribution of above moderate units (proportional share)	66,390	40,437	43,771	0
6	Difference: Redistributed – original 110%	+28,148	+17,126	+18,542	-63,807
	Equal Share:				
7	Option 1 original 110% social equity adjustment	25.4%	15.5%	16.8%	42.4%
8	Option 1 after redistribution of above moderate units (using equal share)	39.5%	29.6%	30.9%	0.0%
9	Difference: Redistributed – original 110%	+14.1%	+14.1%	+14.1%	-42.4%
10	Option 1 original 110% social equity adjustment	38,242	23,311	25,229	63,807
11	Option 1 after redistribution of above moderate units (using equal share)	59,533	40,437	43,771	0
12	Difference: Redistributed – original 110%	+21,291	+17,126	+18,542	-63,807

In order to utilize this redistribution methodology, HCD would have to be informed of the proposed redistribution methodology, accept the idea of redistribution, and provide either a range for each of the income categories in numbers and percent shares for the SCAG total regional allocation or pre-determine the social equity adjustments and pre-calculate the redistribution of the Above Moderate category to provide specific regional numbers and shares. To date, HCD has provided specific numbers and percent shares for each of the four income categories for each the 11 agencies it has already provided total regional allocations to for the

Topic & Page Reference	Question/Comment
	6th RHNA cycle (http://www.hcd.ca.gov/community-development/housing-element/index.shtml).
	Providing SCAG income category ranges would be inconsistent with the methodology and regional assignments for the 11 regions in the state that have already received their regional allocations from HCD for the 6th cycle. Using either of the two methods described above, regional ranges or specific numbers and percentages that include redistribution of the Above Moderate units, could also set a precedent for the nine subsequent regions still waiting for their 6th cycle allocations and future RHNA cycles for all 21 regions.
	4. Redistributing the Above Moderate units to the three lower-income categories further increases the burden of those jurisdictions that are already impacted and have higher shares of lower-income units by assigning more units into the three lower-income categories.
	Using the relative share of the lower income categories to redistribute the Above Moderate units increases the burden for those jurisdictions that currently have higher concentrations of lower-income units. Lines 3 and 6 in Table A above show that an additional 28,000 very low and 17,000 low income units would be redistributed throughout the region. This includes those jurisdictions that are already impacted, lower-income communities.
	If redistribution of the Above Moderate units is decided to be done by SCAG's elected officials and committees, at the very least to attempt to lessen the effect of further impacting local jurisdictions, apply an equal share to each of the three categories to lessen the impact on those jurisdictions that already have higher concentrations of lower-income housing. Lines 3 and 9 in Table A above show that the impact to those jurisdictions already burdened would be lessened by using an equal share to redistribute the Above Moderate units if the SCAG elected officials choose to do so. For example, if the Above Moderate total is 60 units and needs to be redistributed to the three lower-income categories, divide 60 by 3 = 20 and assign 20 units to each of the three lower-income categories.
Page 8, paragraph 3	5. "For example, in Los Angeles County 63 percent of all households live within an HQTA, with 72 percent of the County's very low income households living within an HQTA while only 56 percent of above moderate income households do." --- Please add a table showing all shares for all counties for all data points listed in paragraph.
Page 20, paragraph 2	6. "At the jurisdictional level, between 2012 and 2017 the jobs…" --- Please explain in the report why this specific time increment reported.
Page 28, paragraph 2	7. "The AFFH survey accompanied the required local planning factor survey and that was sent to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019" --- Wasn't the initial deadline for input April 30?
Page 32, Jobs Housing Fit paragraph 1	8. "…enough affordable housing in high resources areas." --- Please provide the definition of 'high resource areas' in the methodology document.
Page 37, Step 1b	9. "The 20 percent of the regional existing housing need will be distributed based on a jurisdiction's share of 2016 regional population within an existing (2016) HQTA." --- Please clarify if the 2019 DOF population was developed at the SCAG TAZ level and is being used or if the RTP TAZ/local input data for year 2016 was used.
Page 43, Step 2a	10. "…the share of regional household growth for the jurisdictions, e.g., for years 2020-2030, is calculated and applied to the RHNA regional household growth" --- Is this share of growth prorated to 2021-2029? If so, add text from Option 3.
All tables in RHNA Technical Appendix	11. Add table ID numbers to each table. 12. Add in pagination for each table, e.g. 1 of 5.

Topic & Page Reference	Question/Comment
Share of 2019 Population in 2016 HQTAs, 54-58	13. Add note that says "HQTAs may include permanently protected open space identified by state and/or federal agencies."
Number of Residential Units Permitted, CIRB and SCAG Local Profiles, 59-82	14. Why is SCAG looking at only the last two cycles of RHNA for permit activity? Why not go further back if it is to address the existing need/backlog? 15. Show calculations for how permits per 1,000 pop are calculated.
Social Equity Adjustments Existing/110%/150%, 88-93	16. Add formula page to show how 110% and 150% social equity adjustments are calculated.
Projected Household Growth- Local Input for Connect SoCal 99-103	17. "Source: Local Input from SCAG jurisdictions for Connect SoCal/2020 RTP/SCS, ~October ~~2019~~2018"
Local Population and Household Growth 2020-2045, Connect SoCal 110-113	18. "Source: Local Input from SCAG jurisdictions for Connect SoCal/2020 RTP/SCS, ~October ~~2019~~2018"
Vacant Units by Tenure and Type, American Community Survey 2013-2017 5-year Estimates 114-117 Options 1 & 3	19. If SCAG chooses to use the strict U.S. Census Bureau definitions for renter and owner vacancy rates (defined below), for the most accurate data possible, SCAG should use the raw, unrounded data from tables DP04 and B25004 to calculate the tenured (owner & renter) vacancy rates by jurisdiction for use in the healthy market vacancy rate adjustments. U.S. Census Bureau defines the following: https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2017_ACSSubjectDefinitions.pdf? <u>Homeowner Vacancy Rate</u> – The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the number of vacant units "for sale only" by the sum of the owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied, and then multiplying by 100. This measure is rounded to the nearest tenth. <u>Rental Vacancy Rate</u> – The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied, and then multiplying by 100. This measure is rounded to the nearest tenth. To calculate owner and renter vacancy rates, the U.S. Census Bureau reports the raw data in two separate tables: DP04 and B25004. DP04 includes the following: • Total housing units • Occupied housing units (Households) • Vacant units • Total vacancy rate • Number of owner-occupied units (owner households) [for owner vacancy rate] • Number of renter-occupied housing units (renter households) [for renter vacancy rate] • Owner vacancy rate- rounded to tenths • Renter vacancy rate- rounded to tenths B25004 reports the number of vacant units by the seven vacancy types: 1. For rent [for renter vacancy rate] 2. Rented, not occupied 3. For Sale only [for owner vacancy rate]

Topic & Page Reference	Question/Comment
	4. Sold, not occupied 5. For seasonal, recreational, or occasional use 6. For migrant workers 7. Other vacant Currently, SCAG is only using the rounded-to-tenths owner and renter vacancy rates from DP04 for the healthy market vacancy rate adjustments at the jurisdictional level. For example, in order to calculate the regional tenured vacancy rates for the HCD consultation package (June 6, 2019 CEHD agenda packet), SCAG imputed the renter and owner units from a single table's rounded data (DP04) rather than calculating the actual rates from raw data in two separate tables (DP04 and B25004). Table B below illustrates the differences when using imputed and rounded vs. raw, unrounded data to calculate the regional tenured vacancy rates. Though small differences in percentages are seen in the tenured vacancy rates, when applied to the regional totals of hundreds of thousands of housing units shown in Table C, the resulting differences when using imputed and rounded data vs. raw, unrounded data can be sizeable.

Table B: Tenured Vacancy Rates for SCAG Region from Different Source Tables

	Owner Vacancy Rate	Renter Vacancy Rate
Only 1-year DP04 (requires imputation using rounded data)	1.1015%	3.2756%
Only 5-year DP04 (requires imputation using rounded data)	1.2018%	3.5850%
All 5-year data (Tables DP04 & B25004, raw, unrounded)	1.2443%	3.6182%

Sources: U.S. Census Bureau American Community Survey 2017 1-year and 2013-2017 5-year estimates

Using the occupied units by tenure from the June 6, 2019 CEHD HCD Consultation Package's Table 1 on page 16, Table C below shows the magnitude of the differences when using imputed/rounded data vs. the raw, unrounded data outputs from Table B to calculate the regional healthy market vacancy rate adjustments by tenure. When comparing the raw, unrounded data to the imputed/rounded data, the raw, unrounded data are 19.3% to 23.0% lower than using the imputed rates. Recognizing that 1-year and 5-year data are inherently different and will produce different results, Table C also shows the differences between the 5-year raw vs. 5-year imputed data.

Table C: Differences in Healthy Market Vacancy Rate Adjustments at the SCAG Regional Level by Tenure, U.S. Census Bureau American Community Survey (ACS)

		Projected Need		Total Vacancy Adjustments	Differences with Table 1*	
		Owner	Renter		Number	Percent
	SCAG Total	311,821*	282,916*	594,737*		
1	1-year ACS- only DP04*	1,247*	4,866*	6,113*	0	0.0%
2	5-year ACS- only DP04	797	3,909	4,707	(1,406)	-23.0%
3	5-year ACS (DP04 & B25004)	930	4,003	4,933	(1,180)	-19.3%

		Existing Need				
		Owner	Renter		Number	Percent
	SCAG Total	3,184,473*	2,889,288*	6,073,761*		
4	1-year ACS- only DP04*	12,738*	49,696*	62,434*	(0)	0.0%
5	5-year ACS- only DP04	8,141	39,924	48,066	(14,368)	-23.0%
6	5-year ACS (DP04 & B25004)	9,498	40,882	50,380	(12,054)	-19.3%

*SCAG's calculations reported in June 6, 2019 CEHD Agenda Packet's HCD Consultation Package, Table 1, p. 16

Sources: U.S. Census Bureau American Community Survey 2017 1-year and 2013-2017 5-year estimates, Tables DP04 & B25004

Topic & Page Reference	Question/Comment
	20. Since the raw data is available, in order to use the most accurate data possible during the RHNA process, unrounded vacancy rates for each jurisdiction should be calculated by using both tables DP04 and B25004 for use in the healthy market vacancy rate adjustments.
	21. Please include the table in Attachment 1 in the RHNA Data Appendix, which shows the raw data inputs, calculations and results of the owner and renter vacancy rates using both tables DP04 and B25004.
Vacant Units by Tenure and Type, American Community Survey 2013-2017 5-year Estimates 114-117 Options 1 & 3	22. Consider using all, or more than two, of the seven categories of vacant units to calculate the tenured vacancy rates. The U.S. Census Bureau American Community Survey (ACS) 2017 5-year estimates report 6,470,403 housing units in the SCAG region with 5,970,784 occupied housing units (households) and 499,619 vacant units. The total vacancy rate for the region is 7.7% (6,470,403 / 499,619). As mentioned above on page 4, the Census Bureau divides vacant units into seven different categories. See Attachment 2 for Census definitions of all vacant unit types. Though all seven categories are used to calculate a jurisdiction's total vacancy rate, to calculate the tenured (owner & renter) vacancy rates, the Census Bureau only uses two of the seven types of vacant units. California statute does not specify how to calculate the homeowner and renter vacancy rates, nor does it require Census Bureau definitions to be used; it only specifies that the healthy market vacancy rate for renters is 5.0%. Five of the seven categories of vacant units, totaling 353,517 units, are not included in the calculation of owner and renter vacancy rates using the Census Bureau definitions (above on page 4). Thus, any RHNA methodology that utilizes the strict Census owner and renter vacancy rates will underestimate the tenured vacancy rates and actual number of vacant units for each jurisdiction. As a result, the region as a whole, and each of the 197 jurisdictions, will be assigned a higher RHNA allocation. For example, as seen in Table D below on page 7, Imperial County has a total of 12,000 vacant housing units (ACS 2017 5-year estimates) but only two categories of those vacant units (829 and 548 = 1,377) are used in the formula to calculate the owner and renter vacancy rates. That means that 10,623 vacant units are not being credited to Imperial County jurisdictions in the RHNA's healthy market vacancy rate adjustments. As a result, the owner vacancy rate is 2.1%, the renter vacancy rate is 4.0%, while the total vacancy rate for Imperial County is 21.0%. As a further example, Orange County has a total of 56,725 vacant housing units (ACS 2017 5-year estimates) but only two categories of those vacant units (14,542 and 5,037 = 19,579) are used to calculate the owner and renter vacancy rates. That means that 37,146 vacant units are not being credited to Orange County jurisdictions in the RHNA's healthy market vacancy rate adjustments due to this underestimation. These same strict definitions were used to calculate the regional vacancy rates as explained above (Item 20), for the consultation package sent by SCAG to HCD with the ultimate effect that the region was not credited with all the vacant units by ignoring five of the seven types of vacant units, thus underestimating the current vacant housing stock. 23. Consider using all, or more than two, of vacant unit categories in the tenured vacancy rates. • Rented, not occupied • Sold, not occupied • For seasonal, recreational, or occasional use • For migrant workers • Other vacant

Topic & Page Reference	Question/Comment
	Table D: Types of Vacant Units, ACS 2013-2017 5-year estimates, Table B25004

	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	SCAG
For rent	829	59,605	14,542	14,961	13,167	3,569	106,673
Rented, not occupied	338	16,188	4,294	2,153	2,848	477	26,298
For sale only	548	16,067	5,037	9,264	7,088	1,425	39,429
Sold, not occupied	88	9,393	4,274	3,726	3,397	943	21,821
For seasonal, recreational, or occasional use	3,028	32,662	17,727	64,887	43,155	5,672	167,131
For migrant workers	92	97	162	551	111	187	1,200
Other vacant	7,077	77,693	10,689	19,438	18,492	3,678	137,067
Total Vacant housing units	12,000	211,705	56,725	114,980	88,258	15,951	499,619

	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	SCAG
Total vacant units used in vacancy calculation	1,377	75,672	19,579	24,225	20,255	4,994	146,102
Total vacant units not being credited to jurisdictions	10,623	136,033	37,146	90,755	68,003	10,957	353,517

Table E: Total and Tenured Vacancy Rates, ACS 2013-2017 5-year estimates, Table DP04

	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	SCAG
Total Housing Units	57,198	3,506,903	1,081,701	826,704	711,900	285,997	6,470,403
Total Vacancy Rate	21.0%	6.0%	5.2%	13.9%	12.4%	5.6%	7.7%
Homeowner vacancy rate (Rounded)	2.1%	1.0%	0.8%	1.9%	1.9%	0.8%	
Rental vacancy rate (Rounded)	4.0%	3.2%	3.2%	5.6%	4.9%	3.5%	

Sources: U.S. Census Bureau American Community Survey 2013-2017 5-year estimates, Tables DP04 & B25004

Topic & Page Reference	Question/Comment
Overcrowding table 118-121	24. Add ACS source table number B25014
Cost-Burdened table 122-126	25. Add ACS source table number B25070
Industry Affiliation by Residence table 127-130	26. Add ACS source table number 27. Add second line to title or note at bottom of page "Number of residents employed in jurisdiction by industry"
Industry Affiliation by Workplace, ACS 2012-2016 5-year Estimates 131-134	28. Add ACS source table number 29. Add second line to title or note at bottom of page "Number of jobs in jurisdiction by industry"

Topic & Page Reference	Question/Comment
RHNA Methodology Survey Response Summary, Spring 2019 288-293	30. Indicate in notes at bottom of table what the four categories of the survey represent and dates for each.
RHNA Data Appendix, p. 99-103; 110-113 & RHNA Calculator	31. If HCD approves the removal of growth on tribal lands in unincorporated county areas, specifically Unincorporated Riverside & San Bernardino Counties, please: 　a. Indicate these changes to population and household numbers in the Proposed RHNA Methodology Data Appendix tables: 　　i. Projected Household Growth- Local Input for Connect SoCal 　　ii. Local Population and Household Growth 2020-2045, Connect SoCal 　b. Indicate these changes to population and household numbers in the RHNA Calculator RHNA_data worksheet columns: 　　i. POP20, POP30, POP35, & POP45 　　ii. HH20, HH30 & HH45
RHNA Calculator	32. In the RHNA Calculator RHNA_data worksheet, please add 2035 Households for all jurisdictions, which is needed to determine which increment of population growth share should be used for Option 3 and for general reference.
RHNA Data Appendix, p. 99-103; 110-113 & RHNA Calculator (PENDING)	33. Please correct Households 2045 in either the RHNA Calculator or the Proposed RHNA Methodology Data Appendix Tables: Local Population and Household Growth 2020-2045, Connect SoCal and Projected Household Growth – Local Input for Connect SoCal as 196 of 197 jurisdictions' data does not match.
RHNA Data Appendix, p. 54-58 & RHNA Calculator (PENDING)	34. In the RHNA Calculator RHNA_data worksheet, for columns M (HQTAPOP16) & N (PCT_HQTAPOP16), please correct the sorting in either the Proposed RHNA Methodology Data Appendix Table: Share of 2019 Population in 2016 HQTAs or the RHNA Calculator for the following cities: 　• Bell Gardens 　• Bellflower 　• La Habra 　• La Mirada 　• La Puente 　• La Verne 　• Laguna Niguel 　• Lakewood 　• Lancaster
RHNA Calculator (PENDING)	35. Please correct the tenure rates by tenure in the RHNA Calculator RHNA_data worksheet for the following jurisdictions, as it is unlikely all have the same share of owner and renter units: 　• Unincorporated Los Angeles 　• Unincorporated Orange 　• Unincorporated Riverside 　• Unincorporated Ventura
RHNA Calculator	36. In the RHNA Calculator RHNA_data worksheet, Option 1 uses a total of 150,577 for existing need by using this formula: 　a. Placeholder HCD regional total housing allocation (659,144) - projected household growth (468,428) - vacancy adjustments for projected need (14,580) - replacement need for projected growth (25,559) = 150,577. 　b. The calculator is using the total number of replacement need of 25,559 for the projected need calculations, but the 25,559 is the existing need replacement number per Table 1 in the June 6, 2019 CEHD HCD consultation package. The projected replacement need number should be smaller, near 2,500 as seen in Table 1 in the HCD package.

Topic & Page Reference	Question/Comment
RHNA Calculator	37. In the RHNA Calculator RHNA_data worksheet, for Option 1, columns BC, BD, and BE divide the above moderate category into three equal shares, whereas the methodology on page 8 talks about using the relative share of the three lower-income categories. Please correct the formulas to match the methodology on page 8.
RHNA Calculator	38. With the newly-issued draft regional total from HCD of 1,344,740, SCAG may choose to update the calculator with only the option of 1,334,740 or a simple formula that utilizes the share of growth for 2020-2045. If SCAG chooses to retain the flexibility of the calculator inputs, please update Option 3's calculations to utilize if/then statements so the formulas are referencing the appropriate time increment (2020-2030, 2020-2035, or 2020-2045) based on the amount of household growth as is described on page 15 of the Proposed RHNA Methodology. The RHNA Calculator is currently set up to only use the growth increment of 2020-2045, which is not how the methodology is described on page 15 of the Proposed RHNA Methodology document.
RHNA Methodologies & RHNA Calculator	39. The formulas in the RHNA calculator currently "force-fit" the results to match an exact regional number. The expectation is that the final RHNA methodology and calculations would do the same. If this is the case, please revise the appropriate narrative to clarify that existing need will be the remainder of the regional determination after the projected need is determined, as utilizing a different progression would result in a different determination for each local jurisdiction.
RHNA Data Appendix & RHNA Calculator	40. Please republish the Proposed RHNA Allocation Methodology Technical Data Appendix and RHNA calculator after corrections are made.

Again, we thank you for your time and consideration of the comments above. If you have any questions, please do not hesitate to contact me.

Sincerely,

Deborah S. Diep
Director, Center for Demographic Research

Attachments:
1. Housing Tenure Vacancy Rates by SCAG Jurisdiction
2. U.S. Census Bureau Definitions of Types of Vacant Units
3. Tracked changes version of Methodology document (incl. Word version)

Email CC: CDR Management Oversight Committee
              CDR Technical Advisory Committee
              OCCOG Board of Directors
              OCCOG TAC
              Sarah Jepsen, SCAG
              Ma'Ayn Johnson, SCAG
              Ping Chang, SCAG
              Kevin Kane, SCAG
              Marnie Primmer, OCCOG
              Ruby Zaman, CDR

Housing Tenure Vacancy Rates by Jurisdiction

To calculate homeowner vacancy rates= COLUMN K/(COLUMN K + COLUMN E) = 548/(548+25507) = 2.1%
To calculate renter vacancy rates= COLUMN I/(COLUMN I + COLUMN F) = 829/(829+19691) = 4.0%
This means Columns J, L, M, N, & O (353,517 units) are not being used in calculating owner or renter vacancy rates and the SCAG region is not being credited with vacant units in the housing stock for tenure vacancy rates.
The total vacancy rate does reflect all 499,619 vacant units in the region.

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
		DP04	DP04	DP04	DP04	DP04	DP04	DP04	DP04	B25004	B25004	B25004	B25004	B25004	B25004	B25004	B25004	E+K	F+I	Q+R	A-S	UNROUNDED CALCULATIONS	
								(rounded to tenth)		Used	Not Used	Used	Not Used	Not Used by SCAG in RHNA calculations									
Geography	COUNTY	Total housing units	Total Households (Occupied housing units)	Total Vacant housing units	Total Vacancy Rate	Owner-Occupied housing units	Renter-occupied housing units	Home-owner vacancy rate	Rental vacancy rate	For rent	Rented, not occupied	For sale only	Sold, not occupied	For seasonal, recreational, or occasional use	For migrant workers	Other vacant	Total Vacant housing units	Total Owner Units	Total Renter Units	Total Owner + Renter Units	Total vacant units not counted as owner or renter units	Home-owner vacancy rate	Rental vacancy rate
Imperial County	IMP	57,198	45,198	12,000	21.0%	25,507	19,691	2.1%	4.0%	829	338	548	88	3,028	92	7,077	12,000	26,055	20,520	46,575	10,623	2.10%	4.04%
Los Angeles County	IMP	3,506,903	3,295,198	211,705	6.0%	1,512,364	1,782,834	1.0%	3.2%	59,605	16,188	16,067	9,393	32,662	97	77,693	211,705	1,528,431	1,842,439	3,370,870	136,033	1.05%	3.24%
Orange County	IMP	1,081,701	1,024,976	56,725	5.2%	588,551	436,425	0.8%	3.2%	14,542	4,294	5,037	4,274	17,727	162	10,689	56,725	593,588	450,967	1,044,555	37,146	0.85%	3.22%
Riverside County	IMP	826,704	711,724	114,980	13.9%	462,788	248,936	1.9%	5.6%	14,961	2,153	9,264	3,726	64,887	551	19,438	114,980	472,052	263,897	735,949	90,755	1.96%	5.67%
San Bernardino County	IMP	711,900	623,642	88,258	12.4%	369,329	254,313	1.9%	4.9%	13,167	2,848	7,088	3,397	43,155	111	18,492	88,258	376,417	267,480	643,897	68,003	1.88%	4.92%
Ventura County	IMP	285,997	270,046	15,951	5.6%	170,678	99,368	0.8%	3.5%	3,569	477	1,425	943	5,672	187	3,678	15,951	172,103	102,937	275,040	10,957	0.83%	3.47%
SCAG		6,470,403	5,970,784	499,619	7.7%	3,129,217	2,841,567	1.2%	3.6%	106,673	26,298	39,429	21,821	167,131	1,200	137,067	499,619	3,168,646	2,948,240	6,116,886	353,517	1.24%	3.62%
											26,298		21,821	167,131	1,200	137,067	353,517						
Brawley	IMP	8,465	7,056	1,409	16.6%	3,719	3,337	0.7%	4.4%	157	92	27	34	113	25	961	1,409	3,746	3,494	7,240	1,225	0.72%	4.49%
Calexico	IMP	11,196	9,180	2,016	18.0%	4,823	4,357	1.2%	2.2%	98	23	58	0	266	23	1,571	2,016	4,881	4,455	9,336	1,860	1.19%	2.20%
Calipatria	IMP	1,286	947	339	26.4%	485	462	0.0%	2.0%	10	26	0	0	52	0	251	339	485	472	957	329	0.00%	2.12%
El Centro	IMP	13,864	11,881	1,983	14.3%	5,890	5,991	2.8%	4.9%	312	83	173	19	438	0	958	1,983	6,063	6,303	12,366	1,498	2.85%	4.95%
Holtville	IMP	2,081	1,627	454	21.8%	920	707	0.0%	5.2%	39	0	0	0	37	0	378	454	920	746	1,666	415	0.00%	5.23%
Imperial	IMP	5,298	4,465	833	15.7%	3,233	1,232	0.0%	1.8%	23	28	0	0	86	7	696	833	3,233	1,255	4,488	810	0.00%	1.83%
Westmorland	IMP	805	613	192	23.9%	269	344	2.5%	6.4%	24	7	7	0	6	7	141	192	276	368	644	161	2.54%	6.52%
Unincorporated Imp	IMP	14,203	9,429	4,774	33.6%	6,168	3,261	4.4%	4.8%	166	79	283	35	2,030	60	2,121	4,774	6,451	3,427	9,878	4,325	4.39%	4.84%
Agoura Hills	LA	7,674	7,338	336	4.4%	5,461	1,877	0.0%	4.1%	80	0	0	0	64	0	192	336	5,461	1,957	7,418	256	0.00%	4.09%
Alhambra	LA	30,990	29,179	1,811	5.8%	11,772	17,407	1.4%	0.8%	149	81	163	65	143	0	1,210	1,811	11,935	17,556	29,491	1,499	1.37%	0.85%
Arcadia	LA	21,253	19,442	1,811	8.5%	11,713	7,729	1.2%	3.9%	318	68	140	113	327	0	845	1,811	11,853	8,047	19,900	1,353	1.18%	3.95%
Artesia	LA	4,780	4,517	263	5.5%	2,285	2,232	0.4%	5.5%	130	0	9	39	27	0	58	263	2,294	2,362	4,656	124	0.39%	5.50%
Avalon	LA	2,216	1,358	858	38.7%	318	1,040	0.0%	8.7%	105	61	0	0	573	0	81	858	318	1,145	1,463	753	0.00%	9.17%
Azusa	LA	13,576	12,495	1,081	8.0%	6,613	5,882	2.8%	2.0%	120	26	198	38	230	0	356	1,081	6,811	6,002	12,813	763	2.91%	2.00%
Baldwin Park	LA	18,810	17,678	1,132	6.0%	9,981	7,697	0.8%	3.2%	254	28	78	123	161	0	488	1,132	10,059	7,951	18,010	800	0.78%	3.19%
Bell	LA	9,236	8,921	315	3.4%	2,627	6,294	0.6%	2.0%	126	0	15	12	15	0	147	315	2,642	6,420	9,062	174	0.57%	1.96%
Bellflower	LA	25,127	23,359	1,768	7.0%	9,352	14,007	2.1%	6.7%	1,021	258	204	13	61	0	211	1,768	9,556	15,028	24,584	543	2.13%	6.79%
Bell Gardens	LA	9,881	9,659	222	2.2%	2,145	7,514	0.0%	1.8%	138	0	0	10	9	0	65	222	2,145	7,652	9,797	84	0.00%	1.80%
Beverly Hills	LA	17,145	14,902	2,243	13.1%	6,121	8,781	3.4%	4.1%	379	170	224	197	486	0	787	2,243	6,345	9,160	15,505	1,640	3.53%	4.14%
Bradbury	LA	422	314	108	25.6%	246	68	8.7%	6.8%	5	0	24	5	41	0	33	108	270	73	343	79	8.89%	6.85%
Burbank	LA	43,323	41,664	1,659	3.8%	17,062	24,602	0.2%	1.4%	338	63	32	13	95	0	1,118	1,659	17,094	24,940	42,034	1,289	0.19%	1.36%
Calabasas	LA	9,353	8,904	449	4.8%	6,222	2,682	0.8%	4.7%	131	0	50	42	50	0	176	449	6,272	2,813	9,085	268	0.80%	4.66%
Carson	LA	26,119	25,381	738	2.8%	18,916	6,465	0.5%	1.5%	96	54	94	65	96	0	333	738	19,010	6,561	25,571	548	0.49%	1.46%
Cerritos	LA	16,370	15,541	829	5.1%	12,262	3,279	1.1%	8.4%	303	24	133	67	96	0	206	829	12,395	3,582	15,977	393	1.07%	8.46%
Claremont	LA	12,420	11,620	800	6.4%	7,657	3,963	0.6%	1.4%	56	0	50	0	312	0	354	800	7,707	4,019	11,726	694	0.65%	1.39%
Commerce	LA	3,731	3,589	142	3.8%	1,514	2,075	1.5%	3.8%	82	0	23	0	0	0	14	142	1,537	2,157	3,694	37	1.50%	3.80%
Compton	LA	24,884	23,657	1,227	4.9%	12,847	10,810	1.5%	3.3%	370	0	193	87	27	0	550	1,227	13,040	11,180	24,220	664	1.48%	3.31%
Covina	LA	15,887	15,193	694	4.4%	8,621	6,572	2.1%	2.5%	171	10	190	78	0	0	245	694	8,811	6,743	15,554	333	2.16%	2.54%
Cudahy	LA	5,694	5,543	151	2.7%	816	4,727	3.2%	1.2%	57	0	27	0	0	0	67	151	843	4,784	5,627	67	3.20%	1.19%
Culver City	LA	17,373	16,543	830	4.8%	8,840	7,703	0.0%	4.6%	375	101	0	47	28	0	279	830	8,840	8,078	16,918	455	0.00%	4.64%
Diamond Bar	LA	18,525	17,810	715	3.9%	13,744	4,066	1.4%	5.0%	214	0	0	29	199	0	78	715	13,939	4,280	18,219	306	1.40%	5.00%
Downey	LA	34,159	32,696	1,463	4.3%	16,616	16,080	1.3%	1.9%	320	174	221	87	117	0	544	1,463	16,837	16,400	33,237	922	1.31%	1.95%
Duarte	LA	7,174	6,980	194	2.7%	4,450	2,530	0.5%	0.0%	0	0	21	27	60	0	86	194	4,471	2,530	7,001	173	0.47%	0.00%
El Monte	LA	31,454	29,550	1,904	6.1%	11,953	17,597	0.9%	6.1%	1,138	19	104	57	73	19	513	1,904	12,057	18,735	30,792	662	0.86%	6.07%
El Segundo	LA	7,060	6,638	422	6.0%	2,958	3,680	0.0%	2.1%	78	27	0	74	125	9	109	422	2,958	3,758	6,716	344	0.00%	2.08%
Gardena	LA	21,551	20,649	902	4.2%	10,266	10,383	1.0%	3.6%	388	70	106	43	52	0	243	902	10,372	10,771	21,143	408	1.02%	3.60%
Glendale	LA	76,607	72,738	3,869	5.1%	24,598	48,140	0.7%	2.8%	1,384	328	173	145	517	0	1,322	3,869	24,771	49,524	74,295	2,312	0.70%	2.79%
Glendora	LA	17,612	17,080	532	3.0%	12,052	5,028	0.3%	3.6%	186	9	41	17	159	0	120	532	12,093	5,214	17,307	305	0.34%	3.57%

353,517 vacant units region-wide are not being credited to the SCAG region and its 197 jurisdictions for RHNA purposes. This underestimates the owner and renter vacancy rates, which are part of the regional calculation for the total RHNA HCD will assign, resulting in higher estimates of regional housing needs.

Source: U.S. Census Bureau American Community Survey 2017 5-year estimates, Tables DP04, B25004

Housing Tenure Vacancy Rates by Jurisdiction

To calculate homeowner vacancy rates= COLUMN K/(COLUMN K + COLUMN E) = 548/(548+25507) = 2.1%
To calculate renter vacancy rates= COLUMN I/(COLUMN I + COLUMN F) = 829/(829+19691) = 4.0%
This means Columns J, L, M, N, & O (353,517 units) are not being used in calculating owner or renter vacancy rates and the SCAG region is not being credited with vacant units in the housing stock for tenure vacancy rates.
The total vacancy rate does reflect all 499,619 vacant units in the region.

Geography	COUNTY	A DP04 Total housing units	B DP04 Total Households (Occupied housing units)	C DP04 Total Vacant housing units	D DP04 Total Vacancy Rate	E DP04 Owner-Occupied housing units	F DP04 Renter-occupied units	G DP04 (rounded to tenth) Home-owner vacancy rate	H DP04 (rounded to tenth) Rental vacancy rate	I B25004 Used For rent	J B25004 Not Used Rented, not occupied	K B25004 Used For sale only	L B25004 Not Used Sold, not occupied	M B25004 For seasonal, recreational, or occasional use	N B25004 For migrant workers	O B25004 Other vacant	P B25004 Total Vacant housing units	Q E+K Total Owner Units	R F+I Total Renter Units	S Q+R Total Owner + Renter Units	T A-S Total vacant units not counted as owner or renter units	U UNROUNDED Home-owner vacancy rate	V UNROUNDED Rental vacancy rate
Hawaiian Gardens	LA	4,018	3,875	143	3.6%	1,604	2,271	1.1%	3.5%	83	17	18	17	8	0	0	143	1,622	2,354	3,976	42	1.11%	3.53%
Hawthorne	LA	30,988	29,488	1,500	4.8%	7,827	21,661	0.6%	2.6%	587	197	45	31	87	0	553	1,500	7,872	22,248	30,120	868	0.57%	2.64%
Hermosa Beach	LA	10,189	9,158	1,031	10.1%	4,259	4,899	0.8%	0.9%	46	228	34	0	541	0	182	1,031	4,293	4,945	9,238	951	0.79%	0.93%
Hidden Hills	LA	594	551	43	7.2%	527	24	0.0%	0.0%	0	0	0	17	0	0	26	43	527	24	551	43	0.00%	0.00%
Huntington Park	LA	14,867	14,462	405	2.7%	3,808	10,654	0.0%	1.5%	163	59	0	56	8	0	119	405	3,808	10,817	14,625	242	0.00%	1.51%
Industry	LA	94	79	15	16.0%	14	65	0.0%	0.0%	0	0	0	0	0	0	15	15	14	65	79	15	0.00%	0.00%
Inglewood	LA	38,187	36,481	1,706	4.5%	13,072	23,409	0.4%	1.0%	245	99	47	0	31	0	1,284	1,706	13,119	23,654	36,773	1,414	0.36%	1.04%
Irwindale	LA	420	374	46	11.0%	267	107	0.0%	7.3%	9	7	0	0	12	0	18	46	267	116	383	37	0.00%	7.16%
La Canada Flintridge	LA	7,008	6,582	426	6.1%	5,838	744	0.5%	3.8%	29	0	30	0	103	0	264	426	5,868	773	6,641	367	0.51%	3.75%
La Habra Heights	LA	1,961	1,836	125	6.4%	1,726	110	2.3%	10.6%	13	0	40	0	0	0	72	125	1,766	123	1,889	72	2.27%	10.57%
Lakewood	LA	27,208	25,957	1,251	4.6%	18,521	7,436	0.5%	7.5%	605	41	96	63	17	0	429	1,251	18,617	8,041	26,658	550	0.52%	7.52%
La Mirada	LA	14,706	14,371	335	2.3%	11,182	3,189	1.1%	2.1%	67	0	119	12	40	0	97	335	11,301	3,256	14,557	149	1.05%	2.06%
Lancaster	LA	53,330	48,124	5,206	9.8%	25,883	22,241	3.6%	7.3%	1,787	319	984	257	1,478	0	381	5,206	26,867	24,028	50,895	2,435	3.66%	7.44%
La Puente	LA	9,350	8,998	352	3.8%	5,129	3,869	0.7%	3.7%	148	22	37	26	21	0	98	352	5,166	4,017	9,183	167	0.72%	3.68%
La Verne	LA	11,695	11,236	459	3.9%	8,337	2,899	0.9%	0.5%	15	0	74	21	148	0	201	459	8,411	2,914	11,325	370	0.88%	0.51%
Lawndale	LA	10,347	9,875	472	4.6%	3,191	6,684	0.4%	3.0%	205	44	12	27	135	0	49	472	3,203	6,889	10,092	255	0.37%	2.98%
Lomita	LA	8,532	8,070	462	5.4%	3,699	4,371	0.8%	2.5%	116	72	31	0	117	0	126	462	3,730	4,487	8,217	315	0.83%	2.59%
Long Beach	LA	173,741	165,001	8,740	5.0%	65,999	99,002	1.3%	3.4%	3,537	527	847	363	1,143	0	2,323	8,740	66,846	102,539	169,385	4,356	1.27%	3.45%
Los Angeles	LA	1,457,762	1,364,227	93,535	6.4%	502,165	862,062	1.0%	3.3%	29,736	8,882	5,071	3,358	12,393	88	34,007	93,535	507,236	891,798	1,399,034	58,728	1.00%	3.33%
Lynwood	LA	15,705	15,333	372	2.4%	6,495	8,838	1.3%	1.0%	90	48	85	25	11	0	113	372	6,580	8,928	15,508	197	1.29%	1.01%
Malibu	LA	7,448	5,499	1,949	26.2%	4,050	1,449	2.9%	5.5%	85	65	121	42	1,146	0	546	1,949	4,171	1,534	5,705	1,743	2.90%	5.54%
Manhattan Beach	LA	15,237	13,529	1,708	11.2%	9,319	4,210	1.3%	3.9%	172	65	124	87	939	0	321	1,708	9,443	4,382	13,825	1,412	1.31%	3.93%
Maywood	LA	6,823	6,629	194	2.8%	1,563	5,066	0.6%	0.8%	40	43	10	0	9	0	92	194	1,573	5,106	6,679	144	0.64%	0.78%
Monrovia	LA	13,727	13,000	727	5.3%	6,001	6,999	0.6%	3.0%	223	102	35	0	141	0	226	727	6,036	7,222	13,258	469	0.58%	3.09%
Montebello	LA	21,258	19,844	1,414	6.7%	8,796	11,048	0.2%	7.4%	885	60	21	73	0	0	375	1,414	8,817	11,933	20,750	508	0.24%	7.42%
Monterey Park	LA	21,336	19,728	1,608	7.5%	10,591	9,137	1.0%	1.7%	156	29	106	191	190	0	936	1,608	10,697	9,293	19,990	1,346	0.99%	1.68%
Norwalk	LA	28,595	27,238	1,357	4.7%	17,155	10,083	1.8%	3.5%	371	197	323	64	77	0	325	1,357	17,478	10,454	27,932	663	1.85%	3.55%
Palmdale	LA	47,965	44,075	3,890	8.1%	28,208	15,867	1.6%	4.8%	813	111	452	232	596	0	1,686	3,890	28,660	16,680	45,340	2,625	1.58%	4.87%
Palos Verdes Estate	LA	5,360	4,757	603	11.3%	4,090	667	2.0%	8.8%	64	0	83	20	281	0	155	603	4,173	731	4,904	456	1.99%	8.76%
Paramount	LA	14,947	14,339	608	4.1%	5,584	8,755	1.9%	3.3%	297	0	111	46	30	0	124	608	5,695	9,052	14,747	200	1.95%	3.28%
Pasadena	LA	60,286	54,734	5,552	9.2%	23,872	30,862	1.2%	2.9%	937	218	289	154	581	0	3,373	5,552	24,161	31,799	55,960	4,326	1.20%	2.95%
Pico Rivera	LA	17,524	17,027	497	2.8%	11,378	5,649	0.5%	2.4%	140	0	63	17	147	0	130	497	11,441	5,789	17,230	294	0.55%	2.42%
Pomona	LA	40,530	38,869	1,661	4.1%	20,460	18,409	1.5%	1.7%	313	81	313	123	87	0	744	1,661	20,773	18,722	39,495	1,035	1.51%	1.67%
Rancho Palos Verde	LA	16,815	15,780	1,035	6.2%	12,553	3,227	0.6%	2.8%	96	112	73	108	385	0	261	1,035	12,626	3,323	15,949	866	0.58%	2.89%
Redondo Beach	LA	29,929	27,820	2,109	7.0%	13,983	13,837	1.8%	3.0%	429	199	257	46	818	0	360	2,109	14,240	14,266	28,506	1,423	1.80%	3.01%
Rolling Hills	LA	704	615	89	12.6%	594	21	1.5%	23.3%	7	2	9	0	19	0	52	89	603	28	631	73	1.49%	25.00%
Rolling Hills Estates	LA	3,212	3,026	186	5.8%	2,813	213	0.0%	4.0%	10	27	0	15	63	0	71	186	2,813	223	3,036	176	0.00%	4.48%
Rosemead	LA	15,525	14,671	854	5.5%	7,264	7,407	0.6%	1.2%	94	53	0	12	135	0	560	854	7,264	7,501	14,765	760	0.00%	1.25%
San Dimas	LA	12,347	11,749	598	4.8%	8,441	3,308	2.4%	4.3%	149	23	211	22	70	0	123	598	8,652	3,457	12,109	238	2.44%	4.31%
San Fernando	LA	6,596	6,249	347	5.3%	3,383	2,866	1.0%	1.6%	46	27	33	27	9	0	205	347	3,416	2,912	6,328	268	0.97%	1.58%
San Gabriel	LA	13,282	12,239	1,043	7.9%	5,528	6,711	2.1%	3.5%	243	37	121	20	144	0	478	1,043	5,649	6,954	12,603	679	2.14%	3.49%
San Marino	LA	4,943	4,515	428	8.7%	3,806	709	0.3%	0.0%	0	0	10	50	53	0	315	428	3,816	709	4,525	418	0.26%	0.00%
Santa Clarita	LA	69,781	67,914	1,867	2.7%	45,971	21,943	0.5%	3.0%	683	150	220	138	158	0	518	1,867	46,191	22,626	68,817	964	0.48%	3.02%
Santa Fe Springs	LA	5,292	5,078	214	4.0%	3,247	1,831	0.6%	2.7%	51	42	19	22	0	0	80	214	3,266	1,882	5,148	144	0.58%	2.71%
Santa Monica	LA	51,426	46,358	5,068	9.9%	12,853	33,505	1.5%	2.0%	693	225	197	64	1,378	0	2,511	5,068	13,050	34,198	47,248	4,178	1.51%	2.03%
Sierra Madre	LA	4,841	4,441	400	8.3%	2,683	1,758	0.9%	2.6%	48	61	24	18	142	0	107	400	2,707	1,806	4,513	328	0.89%	2.66%
Signal Hill	LA	4,556	4,368	188	4.1%	2,038	2,330	1.0%	1.3%	32	12	21	50	15	0	58	188	2,059	2,362	4,421	135	1.02%	1.35%
South El Monte	LA	5,575	5,304	271	4.9%	2,508	2,796	1.1%	4.8%	143	15	27	0	0	0	86	271	2,535	2,939	5,474	101	1.07%	4.87%
South Gate	LA	24,139	23,557	582	2.4%	10,254	13,303	0.6%	1.6%	222	37	65	7	55	0	196	582	10,319	13,525	23,844	295	0.63%	1.64%

Housing Tenure Vacancy Rates by Jurisdiction

To calculate homeowner vacancy rates= COLUMN K/(COLUMN K + COLUMN E) = 548/(548+25507) = 2.1%
To calculate renter vacancy rates= COLUMN I/(COLUMN I + COLUMN F) = 829/(829+19691) = 4.0%
This means Columns J, L, M, N, & O (353,517 units) are not being used in calculating owner or renter vacancy rates and the SCAG region is not being credited with vacant units in the housing stock for tenure vacancy rates.
The total vacancy rate does reflect all 499,619 vacant units in the region.

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
		DP04	DP04	DP04	DP04	DP04	DP04	DP04	DP04	B25004	B25004	B25004	B25004	B25004	B25004	B25004	B25004	E+K	F+I	Q+R	A-S	UNROUNDED CALCULATIONS	
								(rounded to tenth)		Used	Not Used	Used	Not Used by SCAG in RHNA calculations										
Geography	COUNTY	Total housing units	Total Households (Occupied housing units)	Total Vacant housing units	Total Vacancy Rate	Owner-Occupied housing units	Renter-occupied units	Home-owner vacancy rate	Rental vacancy rate	For rent	Rented, not occupied	For sale only	Sold, not occupied	For seasonal, recreational, or occasional use	For migrant workers	Other vacant	Total Vacant housing units	Total Owner Units	Total Renter Units	Total Owner + Renter Units	Total vacant units not counted as owner or renter units	Home-owner vacancy rate	Rental vacancy rate
South Pasadena	LA	11,143	10,248	895	8.0%	4,661	5,587	1.4%	4.1%	247	146	66	29	54	0	353	895	4,727	5,834	10,561	582	1.40%	4.23%
Temple City	LA	11,891	11,094	797	6.7%	7,113	3,981	1.3%	3.2%	133	18	96	33	65	0	452	797	7,209	4,114	11,323	568	1.33%	3.23%
Torrance	LA	58,335	54,904	3,431	5.9%	30,139	24,765	0.5%	2.0%	517	395	153	209	1,082	0	1,075	3,431	30,292	25,282	55,574	2,761	0.51%	2.04%
Vernon	LA	30	30	0	0.0%	7	23	0.0%	0.0%	0	0	0	0	0	0	0	0	7	23	30	0	0.00%	0.00%
Walnut	LA	9,536	9,081	455	4.8%	7,622	1,459	0.8%	1.1%	16	0	64	120	103	0	152	455	7,686	1,475	9,161	375	0.83%	1.08%
West Covina	LA	32,001	30,752	1,249	3.9%	19,757	10,995	0.5%	4.1%	480	95	108	58	66	0	442	1,249	19,865	11,475	31,340	661	0.54%	4.18%
West Hollywood	LA	24,851	22,602	2,249	9.0%	4,823	17,779	2.2%	3.6%	675	484	114	176	182	0	618	2,249	4,937	18,454	23,391	1,460	2.31%	3.66%
Westlake Village	LA	3,569	3,363	206	5.8%	2,973	390	0.3%	7.2%	33	34	9	0	81	0	49	206	2,982	423	3,405	164	0.30%	7.80%
Whittier	LA	29,056	27,803	1,253	4.3%	16,143	11,660	0.2%	3.6%	432	49	32	193	133	0	414	1,253	16,175	12,092	28,267	789	0.20%	3.57%
unincorporated	LA	315,384	297,353	18,031	5.7%	180,569	116,784	1.0%	3.0%	3,637	869	1,809	1,010	2,769	0	7,937	18,031	182,378	120,421	302,799	12,585	0.99%	3.02%
Aliso Viejo	OR	19,786	18,661	1,125	5.7%	11,234	7,427	0.2%	3.5%	280	263	25	121	270	16	150	1,125	11,259	7,707	18,966	820	0.22%	3.63%
Anaheim	OR	104,533	100,280	4,253	4.1%	45,052	55,228	0.6%	3.3%	1,921	637	253	406	437	0	599	4,253	45,305	57,149	102,454	2,079	0.56%	3.36%
Brea	OR	15,616	15,099	517	3.3%	9,230	5,869	0.8%	1.1%	63	24	73	62	221	0	74	517	9,303	5,932	15,235	381	0.78%	1.06%
Buena Park	OR	24,060	23,118	942	3.9%	12,699	10,419	0.8%	1.8%	192	77	105	110	11	0	447	942	12,804	10,611	23,415	645	0.82%	1.81%
Costa Mesa	OR	42,476	40,557	1,919	4.5%	15,853	24,704	0.2%	2.8%	732	251	25	57	554	0	300	1,919	15,878	25,436	41,314	1,162	0.16%	2.88%
Cypress	OR	16,266	15,840	426	2.6%	10,652	5,188	0.6%	2.7%	144	0	68	44	26	0	144	426	10,720	5,332	16,052	214	0.63%	2.70%
Dana Point	OR	17,244	14,616	2,628	15.2%	8,810	5,806	1.5%	4.0%	244	71	133	102	1,882	0	196	2,628	8,943	6,050	14,993	2,251	1.49%	4.03%
Fountain Valley	OR	19,023	18,527	496	2.6%	12,881	5,646	0.2%	1.3%	73	19	26	19	179	0	180	496	12,907	5,719	18,626	397	0.20%	1.28%
Fullerton	OR	47,885	45,476	2,409	5.0%	23,481	21,995	1.1%	3.9%	921	406	273	99	225	0	485	2,409	23,754	22,916	46,670	1,215	1.15%	4.02%
Garden Grove	OR	48,758	47,536	1,222	2.5%	25,598	21,938	0.7%	1.6%	352	57	171	138	131	0	373	1,222	25,769	22,290	48,059	699	0.66%	1.58%
Huntington Beach	OR	81,128	76,709	4,419	5.4%	44,724	31,985	0.7%	2.4%	799	174	330	231	2,050	0	835	4,419	45,054	32,784	77,838	3,290	0.73%	2.44%
Irvine	OR	98,362	92,869	5,493	5.6%	44,762	48,107	0.8%	4.0%	2,001	502	344	419	1,475	124	628	5,493	45,106	50,108	95,214	3,148	0.76%	3.99%
Laguna Beach	OR	13,180	10,485	2,695	20.4%	6,553	3,932	2.4%	3.4%	142	69	164	50	1,630	0	640	2,695	6,717	4,074	10,791	2,389	2.44%	3.49%
Laguna Hills	OR	10,934	10,368	566	5.2%	7,326	3,042	0.7%	7.7%	255	0	52	23	210	0	26	566	7,378	3,297	10,675	259	0.70%	7.73%
Laguna Niguel	OR	26,706	25,075	1,631	6.1%	17,687	7,388	0.7%	4.1%	312	0	121	98	647	0	453	1,631	17,808	7,700	25,508	1,198	0.68%	4.05%
Laguna Woods	OR	12,709	11,251	1,458	11.5%	8,561	2,690	2.2%	6.6%	196	72	196	120	547	0	327	1,458	8,757	2,886	11,643	1,066	2.24%	6.79%
La Habra	OR	19,655	18,899	756	3.8%	10,745	8,154	0.7%	5.5%	479	0	75	45	13	0	144	756	10,820	8,633	19,453	202	0.69%	5.55%
Lake Forest	OR	28,984	27,965	1,019	3.5%	19,384	8,581	0.8%	3.9%	355	87	158	101	198	0	120	1,019	19,542	8,936	28,478	506	0.81%	3.97%
La Palma	OR	5,039	4,907	132	2.6%	3,342	1,565	0.6%	1.3%	21	43	21	0	9	0	38	132	3,363	1,586	4,949	90	0.62%	1.32%
Los Alamitos	OR	4,240	4,110	130	3.1%	1,794	2,316	2.6%	1.6%	38	0	47	0	33	0	12	130	1,841	2,354	4,195	45	2.55%	1.61%
Mission Viejo	OR	34,994	33,833	1,161	3.3%	26,225	7,608	0.6%	4.6%	375	133	165	142	107	0	239	1,161	26,390	7,983	34,373	621	0.63%	4.70%
Newport Beach	OR	44,678	37,971	6,707	15.0%	21,644	16,327	1.8%	7.5%	1,350	345	415	380	3,235	0	982	6,707	22,059	17,677	39,736	4,942	1.88%	7.64%
Orange	OR	44,250	42,625	1,625	3.7%	24,281	18,344	0.7%	3.6%	690	104	162	90	31	0	548	1,625	24,443	19,034	43,477	773	0.66%	3.63%
Placentia	OR	16,813	16,408	405	2.4%	10,648	5,760	0.4%	0.8%	46	81	48	15	60	0	155	405	10,696	5,806	16,502	311	0.45%	0.79%
Rancho Santa Marg	OR	17,814	17,339	475	2.7%	12,289	5,050	0.8%	2.9%	156	102	94	69	54	0	0	475	12,383	5,206	17,589	225	0.76%	3.00%
San Clemente	OR	27,863	24,565	3,298	11.8%	16,137	8,428	0.5%	2.5%	227	349	77	272	1,976	0	397	3,298	16,214	8,655	24,869	2,994	0.47%	2.62%
San Juan Capistranc	OR	12,905	12,229	676	5.2%	9,071	3,158	0.1%	1.5%	49	0	12	72	231	0	312	676	9,083	3,207	12,290	615	0.13%	1.53%
Santa Ana	OR	77,957	75,980	1,977	2.5%	34,471	41,509	1.0%	1.4%	611	172	352	112	131	0	599	1,977	34,823	42,120	76,943	1,014	1.01%	1.45%
Seal Beach	OR	13,604	12,452	1,152	8.5%	9,390	3,062	1.1%	3.0%	97	29	103	116	492	0	315	1,152	9,493	3,159	12,652	952	1.09%	3.07%
Stanton	OR	11,350	10,926	424	3.7%	5,211	5,715	2.3%	2.1%	121	20	122	25	27	0	109	424	5,333	5,836	11,169	181	2.29%	2.07%
Tustin	OR	27,356	26,185	1,171	4.3%	12,590	13,595	0.8%	3.9%	557	80	101	122	127	22	162	1,171	12,691	14,152	26,843	513	0.80%	3.94%
Villa Park	OR	2,102	1,998	104	4.9%	1,891	107	1.4%	5.3%	6	0	27	26	0	0	45	104	1,918	113	2,031	71	1.41%	5.31%
Westminster	OR	28,544	27,687	857	3.0%	14,638	13,049	0.5%	2.7%	359	28	75	123	59	0	213	857	14,713	13,408	28,121	423	0.51%	2.68%
Yorba Linda	OR	22,797	21,972	825	3.6%	18,158	3,814	1.1%	5.1%	205	173	207	92	148	0	173	825	18,365	4,019	22,384	413	1.13%	5.10%
unincorporated	OR	42,090	40,458	1,632	3.9%	31,539	8,919	1.3%	1.9%	173	99	417	373	301	0	269	1,632	31,956	9,092	41,048	1,042	1.30%	1.90%
Banning	RIV	11,892	10,861	1,031	8.7%	6,926	3,935	1.3%	4.5%	186	17	91	50	137	0	550	1,031	7,017	4,121	11,138	754	1.30%	4.51%
Beaumont	RIV	13,896	13,227	669	4.8%	9,795	3,432	1.4%	3.1%	112	15	137	14	45	0	346	669	9,932	3,544	13,476	420	1.38%	3.16%
Blythe	RIV	6,426	5,091	1,335	20.8%	2,712	2,379	2.6%	9.1%	241	21	72	15	585	30	371	1,335	2,784	2,620	5,404	1,022	2.59%	9.20%
Calimesa	RIV	3,852	3,339	513	13.3%	2,819	520	4.4%	4.6%	25	0	131	25	25	0	307	513	2,950	545	3,495	357	4.44%	4.59%

Source: U.S. Census Bureau American Community Survey 2017 5-year estimates, Tables DP04, B25004

Housing Tenure Vacancy Rates by Jurisdiction

To calculate homeowner vacancy rates= COLUMN K/(COLUMN K + COLUMN E) = 548/(548+25507) = 2.1%

To calculate renter vacancy rates= COLUMN I/(COLUMN I + COLUMN F) = 829/(829+19691) = 4.0%

This means Columns J, L, M, N, & O (353,517 units) are not being used in calculating owner or renter vacancy rates and the SCAG region is not being credited with vacant units in the housing stock for tenure vacancy rates.

The total vacancy rate does reflect all 499,619 vacant units in the region.

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
		DP04	DP04	DP04	DP04	DP04	DP04	DP04	DP04	B25004	B25004	B25004	B25004	B25004	B25004	B25004	B25004	E+K	F+I	Q+R	A-S		
								(rounded to tent)		Used	Not Used	Used	Not Used by SCAG in RHNA calculations									UNROUNDED CALCULATIONS	
Geography	COUNTY	Total housing units	Total Households (Occupied housing units)	Total Vacant housing units	Total Vacancy Rate	Owner-Occupied housing units	Renter-occupied units	Home-owner vacancy rate	Rental vacancy rate	For rent	Rented, not occupied	For sale only	Sold, not occupied	For seasonal, recreational, or occasional use	For migrant workers	Other vacant	Total Vacant housing units	Total Owner Units	Total Renter Units	Total Owner + Renter Units	Total vacant units not counted as owner or renter units	Home-owner vacancy rate	Rental vacancy rate
Canyon Lake	RIV	4,584	4,055	529	11.5%	3,201	854	1.8%	7.8%	72	0	60	44	329	0	24	529	3,261	926	4,187	397	1.84%	7.78%
Cathedral City	RIV	22,279	17,888	4,391	19.7%	10,763	7,125	2.2%	3.0%	226	103	247	82	3,204	0	529	4,391	11,010	7,351	18,361	3,918	2.24%	3.07%
Coachella	RIV	13,660	12,943	717	5.2%	8,541	4,402	0.4%	1.8%	82	0	33	0	167	0	435	717	8,574	4,484	13,058	602	0.38%	1.83%
Corona	RIV	51,774	49,953	1,821	3.5%	32,404	17,549	1.0%	3.4%	616	21	340	150	247	0	447	1,821	32,744	18,165	50,909	865	1.04%	3.39%
Desert Hot Springs	RIV	11,854	9,360	2,494	21.0%	4,090	5,270	4.1%	3.8%	209	93	175	51	1,224	0	742	2,494	4,265	5,479	9,744	2,110	4.10%	3.81%
Eastvale	RIV	15,400	14,645	755	4.9%	11,095	3,550	2.2%	7.6%	292	0	248	0	172	0	43	755	11,343	3,842	15,185	215	2.19%	7.60%
Hemet	RIV	34,068	29,726	4,342	12.7%	17,112	12,614	4.1%	7.4%	1,009	15	748	375	853	0	1,342	4,342	17,860	13,623	31,483	2,585	4.19%	7.41%
Indian Wells	RIV	5,511	2,727	2,784	50.5%	2,326	401	8.7%	12.8%	59	0	227	57	2,365	0	76	2,784	2,553	460	3,013	2,498	8.89%	12.83%
Indio	RIV	35,406	29,186	6,220	17.6%	19,556	9,630	2.0%	7.5%	798	146	399	238	4,233	90	316	6,220	19,955	10,428	30,383	5,023	2.00%	7.65%
Jurupa Valley	RIV	26,549	25,170	1,379	5.2%	16,560	8,610	0.4%	3.8%	344	38	70	57	137	0	733	1,379	16,630	8,954	25,584	965	0.42%	3.84%
Lake Elsinore	RIV	17,802	16,538	1,264	7.1%	10,375	6,163	0.8%	7.8%	530	59	80	42	311	0	242	1,264	10,455	6,693	17,148	654	0.77%	7.92%
La Quinta	RIV	24,540	15,166	9,374	38.2%	10,774	4,392	6.5%	9.8%	480	33	760	216	7,598	0	287	9,374	11,534	4,872	16,406	8,134	6.59%	9.85%
Menifee	RIV	30,383	28,487	1,896	6.2%	21,170	7,317	0.9%	2.3%	172	118	185	189	448	0	784	1,896	21,355	7,489	28,844	1,539	0.87%	2.30%
Moreno Valley	RIV	54,005	50,840	3,165	5.9%	30,775	20,065	1.3%	4.9%	1,038	67	395	165	469	0	1,031	3,165	31,170	21,103	52,273	1,732	1.27%	4.92%
Murrieta	RIV	33,832	32,417	1,415	4.2%	21,566	10,851	0.8%	3.0%	331	0	181	191	459	0	253	1,415	21,747	11,182	32,929	903	0.83%	2.96%
Norco	RIV	7,313	7,037	276	3.8%	5,720	1,317	1.7%	0.0%	0	0	102	22	24	0	128	276	5,822	1,317	7,139	174	1.75%	0.00%
Palm Desert	RIV	39,788	23,793	15,815	39.7%	14,682	9,291	6.1%	12.3%	1,327	196	963	208	12,291	0	830	15,815	15,645	10,618	26,263	13,525	6.16%	12.50%
Palm Springs	RIV	37,055	23,551	13,504	36.4%	13,862	9,689	5.1%	9.6%	1,045	151	750	141	10,258	0	1,159	13,504	14,612	10,734	25,346	11,709	5.13%	9.74%
Perris	RIV	17,545	16,582	963	5.5%	10,376	6,206	1.4%	4.4%	284	0	144	51	27	0	457	963	10,520	6,490	17,010	535	1.37%	4.38%
Rancho Mirage	RIV	15,626	9,402	6,224	39.8%	7,367	2,035	4.0%	13.5%	325	40	312	147	5,042	0	358	6,224	7,679	2,360	10,039	5,587	4.06%	13.77%
Riverside	RIV	97,018	90,974	6,044	6.2%	49,326	41,648	0.9%	5.8%	2,583	536	435	353	705	0	1,432	6,044	49,761	44,231	93,992	3,026	0.87%	5.84%
San Jacinto	RIV	14,162	12,669	1,493	10.5%	8,228	4,441	2.0%	6.5%	311	0	167	120	272	0	623	1,493	8,395	4,752	13,147	1,015	1.99%	6.54%
Temecula	RIV	35,776	33,644	2,132	6.0%	21,600	12,044	0.7%	4.7%	603	189	162	153	517	0	508	2,132	21,762	12,647	34,409	1,367	0.74%	4.77%
Wildomar	RIV	10,422	9,935	487	4.7%	6,901	3,034	0.5%	3.0%	94	42	36	17	82	0	216	487	6,937	3,128	10,065	357	0.52%	3.01%
unincorporated	RIV	134,286	112,338	21,948	16.3%	82,166	30,172	1.9%	4.9%	1,567	253	1,614	553	12,661	431	4,869	21,948	83,780	31,739	115,519	18,767	1.93%	4.94%
Adelanto	SB	8,751	7,898	853	9.7%	3,895	4,003	3.4%	5.9%	251	21	141	115	124	0	201	853	4,036	4,254	8,290	461	3.49%	5.90%
Apple Valley	SB	26,047	23,911	2,136	8.2%	15,497	8,414	1.6%	6.0%	544	46	250	232	394	0	670	2,136	15,747	8,958	24,705	1,342	1.59%	6.07%
Barstow	SB	9,361	8,177	1,184	12.6%	3,691	4,486	3.1%	9.9%	493	0	118	35	65	31	442	1,184	3,809	4,979	8,788	573	3.10%	9.90%
Big Bear Lake	SB	9,556	2,137	7,419	77.6%	1,175	962	9.1%	9.6%	102	0	120	26	6,922	9	240	7,419	1,295	1,064	2,359	7,197	9.27%	9.59%
Chino	SB	20,667	19,706	961	4.6%	12,466	7,240	1.5%	4.3%	330	54	185	24	63	0	305	961	12,651	7,570	20,221	446	1.46%	4.36%
Chino Hills	SB	25,145	24,091	1,054	4.2%	18,518	5,573	0.8%	7.6%	456	0	157	188	80	0	173	1,054	18,675	6,029	24,704	441	0.84%	7.56%
Colton	SB	18,281	16,393	1,888	10.3%	8,419	7,974	1.3%	8.9%	805	234	111	131	114	0	493	1,888	8,530	8,779	17,309	972	1.30%	9.17%
Fontana	SB	54,000	51,946	2,054	3.8%	33,460	18,486	1.0%	2.4%	462	92	344	429	81	0	646	2,054	33,804	18,948	52,752	1,248	1.02%	2.44%
Grand Terrace	SB	4,412	4,260	152	3.4%	2,583	1,677	0.9%	4.6%	81	0	24	4	0	0	43	152	2,607	1,758	4,365	47	0.92%	4.61%
Hesperia	SB	27,833	26,066	1,767	6.3%	16,423	9,643	1.2%	2.0%	206	248	205	217	492	0	399	1,767	16,628	9,849	26,477	1,356	1.23%	2.09%
Highland	SB	16,873	15,785	1,088	6.4%	10,247	5,538	0.2%	6.4%	380	66	21	93	108	0	420	1,088	10,268	5,918	16,186	687	0.20%	6.42%
Loma Linda	SB	9,300	8,686	614	6.6%	3,091	5,595	3.4%	3.2%	183	0	110	0	23	0	298	614	3,201	5,778	8,979	321	3.44%	3.17%
Montclair	SB	10,941	10,392	549	5.0%	5,756	4,636	0.4%	1.9%	93	94	23	55	31	0	253	549	5,779	4,729	10,508	433	0.40%	1.97%
Needles	SB	2,963	2,107	856	28.9%	1,199	908	3.3%	12.3%	127	0	41	13	497	0	178	856	1,240	1,035	2,275	688	3.31%	12.27%
Ontario	SB	52,447	49,172	3,275	6.2%	26,309	22,863	1.5%	3.9%	953	449	393	182	123	0	1,175	3,275	26,702	23,816	50,518	1,929	1.47%	4.00%
Rancho Cucamonga	SB	58,435	55,870	2,565	4.4%	34,264	21,606	1.2%	4.1%	945	334	404	250	141	0	491	2,565	34,668	22,551	57,219	1,216	1.17%	4.19%
Redlands	SB	26,178	23,939	2,239	8.6%	13,753	10,186	4.8%	5.6%	612	72	699	177	113	0	566	2,239	14,452	10,798	25,250	928	4.84%	5.67%
Rialto	SB	27,338	26,013	1,325	4.8%	16,521	9,492	1.6%	2.8%	279	127	266	107	101	0	445	1,325	16,787	9,771	26,558	780	1.58%	2.86%
San Bernardino	SB	63,023	58,046	4,977	7.9%	27,137	30,909	1.3%	6.0%	2,011	443	367	159	185	0	1,812	4,977	27,504	32,920	60,424	2,599	1.33%	6.11%
Twentynine Palms	SB	10,116	8,266	1,850	18.3%	2,388	5,878	4.1%	7.2%	458	24	101	0	534	0	733	1,850	2,489	6,336	8,825	1,291	4.06%	7.23%
Upland	SB	28,225	27,116	1,109	3.9%	15,077	12,039	0.8%	2.1%	260	132	125	76	120	0	396	1,109	15,202	12,299	27,501	724	0.82%	2.11%
Victorville	SB	35,572	32,629	2,943	8.3%	17,469	15,160	3.4%	6.4%	1,041	101	615	125	353	0	708	2,943	18,084	16,201	34,285	1,287	3.40%	6.43%
Yucaipa	SB	19,539	18,038	1,501	7.7%	13,051	4,987	1.7%	3.3%	168	8	224	0	50	25	1,026	1,501	13,275	5,155	18,430	1,109	1.69%	3.26%
Yucca Valley	SB	9,896	8,721	1,175	11.9%	5,454	3,267	2.1%	3.7%	128	41	117	63	629	0	197	1,175	5,571	3,395	8,966	930	2.10%	3.77%

Housing Tenure Vacancy Rates by Jurisdiction

To calculate homeowner vacancy rates= COLUMN K/(COLUMN K + COLUMN E) = 548/(548+25507) = 2.1%
To calculate renter vacancy rates= COLUMN I/(COLUMN I + COLUMN F) = 829/(829+19891) = 4.0%
This means Columns J, L, M, N, & O (353,517 units) are not being used in calculating owner or renter vacancy rates and the SCAG region is not being credited with vacant units in the housing stock for tenure vacancy rates.
The total vacancy rate does reflect all 499,619 vacant units in the region.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
	DP04	DP04	DP04	DP04	DP04	DP04	DP04	DP04	B25004	B25004	B25004	B25004	B25004	B25004	B25004	B25004	E + K	F + I	Q + R	A - S	UNROUNDED CALCULATIONS	
							(rounded to tenth)		Used	Not Used	Used	Not Used by SCAG in RHNA calculations										
Geography	Total housing units	Total Households (Occupied housing units)	Total Vacant housing units	Total Vacancy Rate	Owner-Occupied housing units	Renter-occupied units	Home-owner vacancy rate	Rental vacancy rate	For rent	Rented, not occupied	For sale only	Sold, not occupied	For seasonal, recreational, or occasional use	For migrant workers	Other vacant	Total Vacant housing units	Total Owner Units	Total Renter Units	Total Owner + Renter Units	Total vacant units not counted as owner or renter units	Home-owner vacancy rate	Rental vacancy rate
COUNTY																						
unincorporated SB	137,001	94,277	42,724	31.2%	61,486	32,791	3.0%	5.2%	1,799	262	1,927	696	31,812	46	6,182	42,724	63,413	34,590	98,003	38,998	3.04%	5.20%
Camarillo VEN	25,535	24,640	895	3.5%	16,540	8,100	0.4%	5.1%	433	0	70	35	173	0	184	895	16,610	8,533	25,143	392	0.42%	5.07%
Fillmore VEN	4,558	4,300	258	5.7%	2,993	1,307	1.3%	7.1%	100	0	40	29	76	0	13	258	3,033	1,407	4,440	118	1.32%	7.11%
Moorpark VEN	11,603	11,178	425	3.7%	8,368	2,810	0.9%	3.6%	106	23	76	98	101	0	21	425	8,444	2,916	11,360	243	0.90%	3.64%
Ojai VEN	3,340	2,928	412	12.3%	1,650	1,278	0.0%	7.3%	100	0	0	63	127	41	81	412	1,650	1,378	3,028	312	0.00%	7.26%
Oxnard VEN	54,467	51,108	3,359	6.2%	27,246	23,862	1.2%	3.1%	767	99	335	209	1,091	0	858	3,359	27,581	24,629	52,210	2,257	1.21%	3.11%
Port Hueneme VEN	7,803	6,565	1,238	15.9%	3,019	3,546	4.2%	2.4%	88	26	134	0	562	0	428	1,238	3,153	3,634	6,787	1,016	4.25%	2.42%
San Buenaventura VEN	43,146	40,662	2,484	5.8%	21,869	18,793	0.4%	3.5%	685	43	95	169	843	0	649	2,484	21,964	19,478	41,442	1,704	0.43%	3.52%
Santa Paula VEN	9,199	8,821	378	4.1%	4,853	3,968	0.8%	3.5%	145	14	41	39	52	37	50	378	4,894	4,113	9,007	192	0.84%	3.53%
Simi Valley VEN	43,214	42,025	1,189	2.8%	30,161	11,864	0.7%	3.0%	366	40	215	65	241	0	262	1,189	30,376	12,230	42,606	608	0.71%	2.99%
Thousand Oaks VEN	47,930	46,136	1,794	3.7%	32,347	13,789	0.7%	2.8%	407	167	214	51	515	35	405	1,794	32,561	14,196	46,757	1,173	0.66%	2.87%
unincorporated VEN	35,202	31,683	3,519	10.0%	21,632	10,051	0.9%	3.6%	372	65	205	185	1,891	74	727	3,519	21,837	10,423	32,260	2,942	0.94%	3.57%

Note: U.S. Census Bureau defines the following:
Homeowner Vacancy Rate – The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the number of vacant units "for sale only" by the sum of the owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied, and then multiplying by 100. This measure is rounded to the nearest tenth.
Rental Vacancy Rate – The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied, and then multiplying by 100. This measure is rounded to the nearest tenth.

U.S. Census Bureau Definitions of Types of Vacant Units

U.S. Census Bureau defines the following:
https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2017_ACSSubjectDefinitions.pdf?

- Homeowner Vacancy Rate – The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the number of vacant units "for sale only" by the sum of the owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied, and then multiplying by 100. This measure is rounded to the nearest tenth.
- Rental Vacancy Rate – The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied, and then multiplying by 100. This measure is rounded to the nearest tenth.

- Vacancy Status
  - Vacancy status has long been used as a basic indicator of the housing market and provides information on the stability and quality of housing for certain areas. The data is used to assess the demand for housing, to identify housing turnover within areas, and to better understand the population within the housing market over time. These data also serve to aid in the development of housing programs to meet the needs of persons at different economic levels.
  - Vacant units are subdivided according to their housing market classification as follows:
    1. For Rent – These are vacant units offered "for rent," and vacant units offered either "for rent" or "for sale."
    2. Rented, Not Occupied – These are vacant units rented but not yet occupied, including units where money has been paid or agreed upon, but the renter has not yet moved in.
    3. For Sale Only – These are vacant units being offered "for sale only," including units in cooperatives and condominium projects if the individual units are offered "for sale only." If units are offered either "for rent" or "for sale," they are included in the "for rent" classification.
    4. Sold, Not Occupied – These are vacant units sold but not yet occupied, including units that have been sold recently, but the new owner has not yet moved in.
    5. For Seasonal, Recreational, or Occasional Use – These are vacant units used or intended for use only in certain seasons or for weekends or other occasional use throughout the year. Seasonal units include those used for summer or winter sports or recreation, such as beach cottages and hunting cabins. Seasonal units also may include quarters for such workers as herders and loggers. Interval ownership units, sometimes called shared-ownership or time-sharing condominiums, also are included here.
    6. For Migrant Workers – These include vacant units intended for occupancy by migrant workers employed in farm work during the crop season. (Work in a cannery, a freezer plant, or a food-processing plant is not farm work.)
    7. Other Vacant – If a vacant unit does not fall into any of the categories specified above, it is classified as "Other vacant." For example, this category includes units held for occupancy by a caretaker or janitor, and units held for personal reasons of the owner.

Proposed RHNA Methodology 8/2/2019

Proposed RHNA Methodology
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Data in the Proposed Methodology Appendix is subject to corrections as appropriate

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Proposed RHNA Methodology
EXECUTIVE SUMMARY

SCAG is required to develop a proposed RHNA methodology to distribute total need, which includes both existing and projected housing need, for the 6th cycle RHNA for each jurisdiction, which will cover the planning period October 2021 through October 2029. Three options for distribution of the regional determination are provided for a public review and comment period. In addition to a distribution mechanism for housing need, the proposed methodology must also address the State housing objectives which include affirmatively furthering fair housing and the consideration of local planning factors.

Members of the public are welcome to provide comments on the three options, which may include but not limited to:

- *Modifications to any of the proposed three options;*
- *Additional factors or suggestions to be considered as part of any of the proposed three options; and*
- *Any new option for the RHNA allocation methodology.*

Comments can be provided at any of the public hearings or sent to housing@scag.ca.gov by September 3, 2019.

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 for a variety of factors and reasons despite continuing population growth over decades.

As part of the RHNA process SCAG must develop a proposed 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 proposed methodology appendix that contains a full set of various underlying data and assumptions to support the proposed methodology. Due to the size of the appendix, a limited number of printed copies are available. However, 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 three (3) options 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. To illustrate how different components affect jurisdictions, an example of how the multi-step process based on each option for two different example jurisdictions are provided as an attachment to this packet. While the proposed 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 proposed 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.
3. Local input on household growth should not be the only deciding factor to determine a jurisdiction's RHNA allocation.
4. 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 proposed 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
SCAG staff provided various factors to the RHNA Subcommittee at their meetings between February and June 2019 to consider for developing a proposed RHNA methodology. Based on feedback and input from Subcommittee members and stakeholders, SCAG staff is recommending the release of three (3) options for public comment and review. During the formal public comment period on the proposed RHNA methodology, SCAG staff will solicit verbal and written input from elected officials, jurisdictions, stakeholders, and the general public on these options and other components of the proposed methodology. Based on feedback received, SCAG staff will recommend one option to the RHNA Subcommittee, CEHD Committee, and Regional Council for submittal to HCD for their 60-day review period. After reviewing HCD comments, which is anticipated to be received by December 2019, SCAG staff will provide a recommended final RHNA methodology for adoption by RHNA Subcommittee, CEHD Committee, and Regional Council in January or February 2020.

Members of the public are welcome to provide comments on the three options, which may include but not limited to:

- *Modifications to any of the proposed three options;*
- *Additional factors or suggestions to be considered as part of any of the proposed three options; and*
- *Any new option for the RHNA allocation methodology.*

Comments can be provided at any of the public hearings or sent to housing@scag.ca.gov by September 3, 2019.

Option 1

The first option is a multistep process that determines a jurisdiction's existing need separately from projected need.

Prior to the development of the proposed RHNA methodology, SCAG will receive a regional determination by income category for the 6th cycle RHNA from HCD. The total determination will be a combination of existing and projected need based on the consideration of a variety of data and projections in consultation with SCAG and the California Department of Finance (DOF). It is anticipated that HCD will only provide a total determination instead of separate allocations for existing need and projected need.

A methodology that uses different distribution formulas for existing need and projected need will need to separate the regional existing need and projected need from the total determination provided by HCD. The table below is a summary of the components from the total regional determination that SCAG will consider as aspects of projected or existing need. It is unknown at the time of this report's development if HCD will include all of these components; however, SCAG will update the proposed methodology to reflect any revisions made as a result of the determination provided by HCD. It is anticipated that HCD will provide a regional determination to SCAG no later than August 2019.

Existing need	Projected need
Overcrowding	Projected household growth
Cost-burden	Future vacancy need
Existing vacancy rates below fair market rates	Replacement need

For projected household growth, SCAG's local input 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. Expected growth on tribal land is subtracted from the regional total, after which adjustments are made to the expected projection period for non-tribal household growth. A vacancy adjustment of 1.5% for owner-occupied units and 5% for renter-occupied units will be applied to the regional projected household growth to

determine future vacancy need. Next a regional replacement need is added, which is a region-level estimate of expected replacement need over the RHNA period.

Existing need consists of overcrowding, cost-burden, current vacancy rates below fair market rates, and any other components that are included in the regional determination provided by HCD or are not otherwise related to projected need as described above.

After determining the existing need and projected need for the region, option 1 applies a three-step process to determine a jurisdiction's draft RHNA allocation by income category:

1. Determine existing housing need
   a. Assign 70 percent of regional existing need to jurisdictions based on each jurisdiction's share of the 2019 Dept. of Finance (DOF) regional population
   b. Assign 20 percent of regional existing need based on a jurisdiction's share of 2016 local input 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 from CIRB
   d. Redistribute the above moderate category into the three lower-income categories (very low, low, and moderate)
      c.e. 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 2020-2030 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 using 2017 American Community Survey existing shares by tenure and apply to the growth increment.
   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 in spring 2019 to SCAG
   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

Step 1: Determine Existing Housing Need

The first step to determine a jurisdiction's RHNA allocation is to determine its existing housing need using the regional existing need as the starting point. Staff's recommendation to determine this splits the regional existing need into two parts. One part is based on the jurisdiction's share of DOF January 1, 2019 regional population and the second part is based on the jurisdiction's share of the region's 2016 local input population within a HQTA. The third part is based on the jurisdiction's share of relative building activity from 2006-2018.

Step 1a: Share of Regional Population

To distribute existing housing need, 70 percent of the regional existing need will be assigned based on a jurisdiction's share of regional population. This distribution assigns more existing need in areas with larger populations. The source of regional population is from the California Department of Finance E-5 table, May 2019.

Step 1b: Share of Regional HQTA Population

The next step involves the consideration of proximity to transit to distribute the remaining 20 percent of the region's existing housing need in an effort to better align transportation and housing as well as in recognition that lower income households tend to live in HQTA areas in comparison to higher income households. To measure proximity to transit, the proposed RHNA methodology uses High Quality Transit Areas (HQTA)s as of 2016, 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 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

The 20 percent of the regional existing housing need will be distributed based on a jurisdiction's share of the 2016 local input regional population within an HQTA (as of 2016). Not all jurisdictions have an HQTA within their jurisdictional boundaries and their total existing need will only be based on their respective shares of the regional population outlined in other steps.

Step 1c: Relative Share of Regional Building Activity

Ten percent of existing need will be distributed based on recent building permit activity (2006-2018) reported by CIRB in order to ensure that jurisdictions which have recently permitted a higher share of the region's building activity relative to their population will receive a relatively lower allocation.

This step compares a jurisdiction's rate of building permits issued since the start of the 4th cycle of RHNA (2006) through 2018 to the region's rate of permitting. A jurisdiction which had lower than the regional average of permits per population will receive an increased allocation. This will be based on the difference between the jurisdiction's share of regional permit undersupply. The undersupply is calculated based on the jurisdiction's expected number of residential unit permits based on its population size, which is determined based on an expected number of permits for its population in comparison to the regional ratio of residential unit permits issued per population and comparing it to residential unit permits issued from 2006 through 2018. A jurisdiction which has issued more permits per population than the region will receive no allocation based on this step.

Step 1d: Redistribution of the Above Moderate Households & Social Equity Adjustment for Existing Need

The next step after combining a jurisdiction's share of regional population, share of regional population within an HQTA, and share of regional building activity is to calculate income categories for existing housing need and by income category. The total existing housing need will be categorized into three, instead of four income categories: very low, low, and moderate income. Above moderate need is then redistributed proportionately to the three remaining categories. After summing the results of the three steps prior, the three lower-income categories are summed and a relative share for the three categories is calculated. This is then applied to the total for the above moderate category and those are then redistributed into the very low, low, and moderate income categories. Data for household income distribution is sourced from the American Community Survey (ACS) 2013- 2017 5-year estimates Tables B19001 and B19013.

While approximately 43 percent of all SCAG households live within an HQTA as of 2016, lower income households tend to live within an HQTA while higher income households tend to live in non-HQTA areas. For example, in Los Angeles County 63 percent of all households live within an HQTA, with 72 percent of the County's very low income households living within an HQTA while only 56 percent of above moderate income households do. In San Bernardino County, 9 percent of households live within an HQTA, with 11 percent of its very low income households living within an HQTA while only 6 percent of above moderate households live in HQTAs. The pattern of disparity among the income levels means that assigning RHNA need based on HQTAs may result in higher allocations to areas that have a high concentration of lower income households and possibly perpetuate segregation patterns based on income and indirectly race. [1] For this reason, the proposed methodology includes an income adjustment of 110 percent to existing need in order to mitigate an overconcentration of income groups while acknowledging that the existing need is essential in areas with existing need indicators.

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[1] While not a formal part of this analysis to recommend a proposed RHNA methodology, there are numerous social

equity and environmental justice studies and data available that correlate areas of lower income households with racial minorities and other protected groups under the federal Fair Housing Act.

At the same time, the conditions of cost-burden have disproportionate impacts on lower income households. For example, a lower income household paying 40 percent of their income on housing has less remaining income available for other costs than that of a higher income household that spends the same percentage on housing. The lower the income of the household the more impact overpaying on household costs becomes. In addition, past RHNA progress reports indicated that the RHNA target for above moderate income housing has been met while not for the other three income categories: very low, low and moderate. This is because subsidies are not needed to construct above moderate housing. For this reason, SCAG recommends that existing need focus on three income categories and exclude above moderate income housing from a jurisdiction's existing need.

For reference, below is the median household income by county from 2017 ACS 5-year estimates. State law requires that the mitigation of overconcentration of income categories be compared to the county distribution rather than the regional distribution.

- 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

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). However, one of the State housing objectives 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.

A social equity adjustment approach compares a jurisdiction's distribution for each income category to the county distribution and then makes an adjustment to each category distribution to the jurisdiction. If the adjustment was 100 percent a jurisdiction's distribution would be exactly the same as the County's distribution. Conceptually a 110 percent adjustment means that the City meets the County distribution and goes beyond that threshold by 10 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.

To determine three income categories and maintain the same total existing need, units are first allocated across four income categories. Then, the above moderate income category is redistributed proportionately across the very low, low, and moderate categories.

A social equity adjustment that is lower than that used for projected need acknowledges that while there is an objective to mitigate the overconcentration of income categories, there is still need for affordable housing in communities that currently have a high concentration of lower income

households. The need for assigning existing housing need to lower income categories also works towards this balance by removing market rate housing since indicators of existing housing need, such as overcrowding and cost-burden, tend to impact lower income households more than high income households.

Step 2: Determine Projected Housing Need
The next step is to determine a jurisdiction's projected need.

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

a. Determine the jurisdiction's share of regional projected household growth based on local input, e.g., 2020-2035
b. Determine future vacancy need based on a jurisdiction's existing composition of owner and renter households (2017 ACS 5-year estimates) 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 share of regional replacement need based on replacement need survey results from April 2019 or original DOF data

Step 2a: Projected Household Growth
Between October 2017 and October 2018, SCAG staff conducted the bottoms-up Local Input and Envisioning process, which was an extensive outreach effort that surveyed each SCAG jurisdiction on population, household, and employment growth, among other local policies and plans to help inform the Connect SoCal and other regional plans such as RHNA. SCAG staff met with all 197 jurisdictions within the region and collected input and data on growth throughout the process. Based on the input received on household growth, the proposed methodology assigns projected household growth based on a jurisdiction's share of regional household growth.

SCAG's local input growth forecast for the years 2020-2030 is used as the basis for calculating RHNA 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 2b: 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).

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 (DP04). 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. While it is unknown at this time what HCD will use for their regional determination, SCAG staff has requested the use of 1.5 percent for owner-occupied units while using a rate of 5 percent for renter-occupied units per statute. The difference is due to the higher rates of turnover generally reported by renter units in comparison to owner-occupied units. Additionally, rRecent State legislation requires that renter units have a minimum vacancy rate of 5 percent. 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. This assumes future housing growth will be the same type and mix as the existing housing stock.

Step 2c: Replacement Need

Residential units are demolished for a variety of reasons, including natural disasters, fire, or desires to construct entirely new residences. Each time a unit is demolished, a household is may be displaced, which can disrupt and disrupts the jurisdiction's pattern of projected household growth. The household may choose to live in a vacant unit or leave the jurisdiction, of which both scenarios result in negative household growth through the loss of a vacant unit for a new household or subtracting temporarily from the jurisdiction's 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 share of the regional replacement need based on data submitted for the replacement need survey, which was conducted between March and April 2019.

Each jurisdiction's share of historical demolitions between reporting years 2008 and 2018, which was collected from the California Department of Finance (DOF) during the annual Housing Unit Survey, 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 and units lost due to site zoning changes to non-residential uses. A net replacement need was determined based on this information for each jurisdiction and

each jurisdiction's share of the net regional replacement need was calculated. Once SCAG receives its regional determination from HCD, SCAG will be able to apply these percentage shares to each jurisdiction.

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

2d: Projected Need Social Equity Adjustment

The next step is to separate projected housing need into four income categories. To avoid perpetuating historical patterns of segregation in consideration of AFFH, the proposed methodology applies a 150 percent social equity adjustment to projected housing need.

Similar to step 1c, the existing household income distribution is compared to the county distribution and then modified. A 150 percent adjustment results in a noticeably higher difference in income categories, particularly for jurisdictions that are much lower or higher than the county distribution. The data source is from the ACS 2013-2017 5-year estimates.

The readjusted category percentages are then applied to the total existing need for each jurisdiction to determine the units for each category.

Step 3: Total RHNA Allocation

The final step in determining a jurisdiction's total RHNA allocation by income category. This is completed by combining the income categories as determined by step 1 and 2.

Option 2

A second option for the distribution in the proposed RHNA methodology uses the one SCAG regional total from the determination provided by HCD to determine a jurisdiction's RHNA allocation instead of separating existing need from projected need. 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 DOF January 1, 2019 regional population
   b. Assign 20 percent of regional need based on a jurisdiction's share of 2016 population within the regional high quality transit areas (HQTAs as of 2016)

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)

Step 1: Determine total RHNA need

Total Regional Need

20% Distributed based on population within an HQTA

80%

Distributed based on population share

Jurisdiction Total Need

Jurisdiction's share of regional population + Jurisdiction's share of regional population within HQTA

Similar to calculating total existing need from Option 1, step 1 in Option 2 bases a total allocation based on the jurisdiction's share of regional population and the jurisdiction's share of regional population within an HQTA.

As discussed in Option 1, lower income households tend to live in HQTA areas in comparison to higher income households. The pattern of disparity among the income levels means that assigning any RHNA need based on HQTAs may result in a higher allocation to areas that already have a high concentration of lower income households and possibly perpetuate segregation patterns based on income and, indirectly, race. While Option 1 only applies the HQTA factor to existing need, Option 2 applies this factor to the total need, which could exacerbate overconcentration that social equity alone cannot address. For this reason, Option 2 increases the recommended social equity adjustment to 150%.

Step 2: Determine Four Income Categories

Jurisdiction Total Housing Need

150% social equity adjustment

Juri sdict ion Tota l Ho usi ng Need

| Very low |
| Low |
| Moderate |
| Above moderate |

The next step of Option 2 is to determine four income categories using a 150 percent social equity adjustment. This application is similar to step 2 in Option 1. The higher social equity adjustment is recommended to mitigate the percentage of ~~low~~ lower-income households ~~s~~ categories assigned while step 1 in this option mitigates the total of ~~low~~ lower-income households assigned.

Option 2 does not factor in projected household growth from local input, replacement need, or future vacancy need that are featured in Option 1. Input provided by RHNA Subcommittee members requested that ~~a~~ both existing and projected need be distributed in the same way. Other input provided indicated that HQTAs should factor in ~~to~~ projected need. Option 2 touches on both of these comments, though it departs from other ~~perspectives~~ comments that indicate local input on household growth should be factored in to the distribution methodology.

Option 3

A third option to consider for the RHNA methodology is to use 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 ultimately uses share of regional population growth.

The bottom-up local input and envisioning process produces jurisdiction-level household totals for 2016, 2020, 2030, 2035, and 2045. Option 1 uses 82.5% of projected local input growth from 2020-2030 to determine housing need due to projected household growth. Population growth as referenced in the technical appendix is total population, which includes both group quarters and household population. Whereas the regional determination from HCD remains unknown as of this writing, it is expected to be below the regional household total for 2045. Therefore, option 3 will choose the local input year closest to the regional determination – 2030, 2035, or 2045 – as the basis for jurisdiction-level RHNA allocation. For example, if HCD provides a regional determination of 800,000, then the horizon year selected will be 2035 since the difference between household growth between 2020 and 2035 is 838,000.

Once the horizon year is ~~selected~~identified, 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 calculated and 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.

Local input on household growth for each horizon year can be found in the proposed RHNA methodology technical appendix page titled Local Population and Household Growth 2020-2045 Connect SoCal~~Population Growth~~.

Option 1 vs. Option 2 vs. Option 3: A Comparison

The three proposed RHNA methodology options offer different mechanisms to determine a jurisdiction's draft RHNA allocation from the regional total.

	Option 1	Option 2	Option 3
Existing need separate from projected need	Yes	No	No
Higher total of lower income categories	Yes	No	No
Emphasis on HQTA from regional total	On existing need only, 20%	On total allocation, 20%	No
Accounts for recent building activity	Yes	No	No
Social equity adjustment	110% for existing need 150% for projected need	150% for total need	150% for total need
Local input as a component	Yes	No	Yes

Option 1 allows for a higher degree of variability than Option 2 since it relies on both pre-determined characteristics (such as HQTAs) and on local input, which can vary by jurisdiction and does not necessarily rely on pre-determined characteristics. Proponents of Option 1 may argue that its distribution mechanism allows for local conditions as reported by jurisdictions while still accommodating a the need for linkage to regional transportation and land use planning. Option 1 also assigns existing need to the three lower-income categories, which can meet the existing need factor of cost- burden specifically for low income households.

Option 2 does not differentiate between existing and projected need in its distribution mechanism and creates a stronger link to regional transportation and land use planning by applying proximity to transit as a factor to the total need distribution. While local input is not a component, some proponents of Option 2 may argue that because local input may not inherently explicitly consider regional goals might be a reason to exclude it as a main factor in RHNA methodology.

Option 3 uses local input as the basis for determining a jurisdiction's share of regional growth. While Option 1 considers share of household growth as a factor for projected need, Option 3 considers population growth as a factor for total RHNA need. Except for household income distribution for social equity adjustment, this option does not use other factors beyond local input on growth, such as transit proximity, to determine a jurisdiction's housing need.

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.

The proposed RHNA methodology provides a multi-tier approach to ensuring that housing need is distributed throughout the SCAG region in a transparent and equitable manner. The various components of the distribution mechanism address each of the five outlined objectives.

- *Distribution of existing need based on regional population share (Option 1 and Option 2)*
  Assigning existing housing need based on regional population and HQTA population shares meet several RHNA objectives. First, by assigning based on regional population and HQTA population shares instead of assigning need to where existing need indicators occur, the proposed methodology ensures that no single jurisdiction is over-burdened with the region's existing needs. This regional approach ~~accommodates~~ acknowledges 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.

- *Distribution of existing need based on regional HQTA population share (Option 1 and Option 2)*
  As well as being a regionally equitable approach, assigning need based on a jurisdiction's share of population within an HQTA promotes additional objectives of State housing law. Linking regional housing planning to regional transportation and land use planning 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 share of population within an HQTA 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 proposed RHNA methodology.

- *Social Equity Adjustments (Option 1, Option 2, and Option 3)*
  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 reduces the 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 more 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.

- *Assigning existing need for very low, low, and moderate income categories (Option 1)*
  Option 1 emphasizes distributing existing housing need based on very low, low, and moderate income categories and excludes assignment for the above moderate category. Excluding above moderate income households from the determination of existing housing need meets the objectives of promoting socioeconomic equity and affirmatively furthering fair housing. While this component increases the overall need for lower income categories, by percentage, for all jurisdictions, it is more pronounced in higher income areas since these areas have a higher percentage of above moderate income households, which are

redistributed to the lower income categories. Similar to the social equity adjustment, this component promotes a mix of housing types, tenure, and affordability, along with socioeconomic equity and affirmatively furthering fair housing.

- *Local input on growth (Option 1 and Option 3)*
  Collected from the local input process, which is collectively higher than the SCAG draft growth projections, 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) and projects already approved or under construction.

Local Planning Factors

As part of the development of the proposed RHNA methodology, SCAG must conduct a survey of planning factors that identify local conditions and explain how each of the listed factors are incorporated into the proposed methodology. The survey was distributed to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. One-hundred and four (104) jurisdictions, or approximately 53%, 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 pre-survey and surveyed a binary yes/no as to whether these factors impacted jurisdictions. The formal local input survey was pre-populated with the pre-survey answers to help facilitate survey response. The full packet of surveys submitted prior to the development of the proposed methodology packet 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 RHNA methodology will equitably distribute housing need and that underlying challenges as a region are 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.

SCAG conducted an analysis of jobs housing balance, or Index of Dissimilarity (IOD), which is a ratio of total jobs to housing units, 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 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% from __% to __%, 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 from __% to __%.

At the county level, between 2012 and 2017 the jobs housing balance improved by 4.8% from __% to __%. 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 from __% to __%.
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 ratio is expected to _____ between 2012 and 2030.

The results of the jobs housing balance and jobs housing fit analyses~~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 than its historical trend since 2012. 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.

Several suggestions were ~~raised~~ made to consider employment centers, or areas with a high concentration of jobs, as a direct factor in the proposed RHNA methodology. One of the main limitations identified with the direction application of this factor is from the assumption that jobs and housing ratios need to be confined to jurisdictional boundaries regardless of actual commute distances or the number of workers in the home. Residence in the same city does not necessarily translate into a shorter commute, particularly if the worker lives near the city boundary or if there is more than one worker per home. Commute sheds defined by a driving distance radius could be defined, but this would require further analysis of subregional and possibly county data and may be complicated by limitations in referenced studies. For this reason, SCAG staff does not recommend using jobs housing fit as a factor in the distribution methodology. However, distribution of need based on other mechanisms, such as HQTA, overlaps with some of the areas identified as having a high concentration of jobs to housing overall and low wage jobs to low wage workers.

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 the current distribution pattern based on historical household growth, including data collected from local input, may not be the most

equitable method of distribution to determine housing need in respect to job housing balance.

For the full results of the jobs housing balance and fit analyses and maps, please refer to the appendix of the proposed 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.

Option 1 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.

Though it does not use local input on household growth ~~as a major component~~, option 2 also meets these planning factors through its weighting of HQTAs. The weighting of a jurisdiction's population share within an HQTA directs a certain amount of housing need toward infill opportunity areas. Prior RHNA cycles did not promote direct linkage to existing transit proximity and the current proposed methodology encourages more efficient land use patterns by utilizing existing transportation infrastructure and preserves areas designated as open space and agricultural lands.

(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 to develop ~~for~~ option 1. For both option 1 and option 2, 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 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 proposed RHNA methodology since it was incorporated into the local input submitted by jurisdictions for Option 1. Option 2 reflects this factor by directing part of the regional housing need to HQTA areas, which are generally not intended as agricultural or preservation areas.

(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~~of losing their affordability status in the near future have indicated that they are currently reviewing and developing local resources to address the potential loss. Based on this, SCAG staff has determined that at-risk units are best addressed through providing data on these units as part of the proposed RHNA methodology and giving local jurisdictions the discretion to address this factor and adequately plan for any at-risk unit loss in preparing their housing elements.

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

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

Moreover, 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. To address the issue of cost-burden and promote affordability in areas with lower levels of affordable units, the distribution methodology's social equity adjustment assigns higher percentages of lower income units in jurisdictions that are higher income. This does not imply that lower income areas do not need more affordable units; rather, it results in assigning need throughout the region since cost-burden is a regionwide problem.

The reason for a regionwide distribution of existing need rather than assigning need based on this existing need indicator is because it is impossible to determine through the methodology how and why the cost-burdening is occurring in a particular jurisdiction. Cost-burdened is a symptom of housing need and not its cause. A jurisdiction might permit a high number of units but still experiences cost-burden because other jurisdictions restrict residential permitting. Or, a jurisdiction might have a large number of owner-occupied housing units that command premium pricing, causing cost-burden for high income households ~~and especially~~or 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 proposed methodology data appendix, does not reveal a single strong trend to base a distribution methodology for cost-burden and thus the proposed methodology distributes this existing need indicator regionally rather than to where the indicators exist.

Finally, the distribution of existing need into three income categories (very low, low, and moderate) in Option 1 acknowledges that while cost-burden a disproportionately affects lower income households, it also has a disproportionate effect *on* a lower income household. For example, a high income household that spends 40 percent of its income on housing will have more disposable income available than a very low income household that also spends 40 percent of its income on housing. To address this, the distribution methodology for existing need in Option 1 results in more ~~low~~ lower-income units to all jurisdictions.

(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~~1.0 persons per room (not only bedrooms) 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 is required to review data pertaining to overcrowding, which is a new requirement for the 6th RHNA cycle. Because overcrowding is caused in part by an accumulated housing supply deficit, overcrowding is included in the proposed methodology's distribution of existing housing need by factoring in HQTAs.

Similar to cost-burden, the reason for a regionwide distribution of existing need rather than assigning need based on this existing need 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 proposed methodology data appendix, does not reveal a single strong trend to base a distribution methodology for overcrowding and thus the proposed 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 proposed methodology should consider this as a factor. SCAG staff has included data on the density of jurisdictions in the proposed methodology technical appendix.

While density is not directly addressed as a factor, the social equity adjustment indirectly addresses density, particularly for lower income jurisdictions. In housing elements, jurisdictions ~~most~~must demonstrate that a site is affordable for lower income households by

applying a "default density", defined in State housing law as either 20 or 30 dwelling units per acre depending on geography and population. In other words, a site that is zoned at 30 dwelling units per acre is automatically considered as meeting the zoning need for a low income household. There is not a corresponding default density for above moderate income zoning. Assigning a lower percentage of lower income households than what currently existing in the housing stock 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 proposed methodology appendix provides ACS 2012-2016 data on agricultural jobs by jurisdiction, as well as workers by place of residence. The RHNA 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.

Similar to at-risk units, the proposed methodology does not include a distribution mechanism to distribute farmworker housing. However, SCAG is providing data in its proposed 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 proposed RHNA methodology. To determine this number, HCD reviewed historical demolition permit data between 2008 and 2017 (reporting years 2009 ~~and~~ to 2018) and data provided on net replacement need collected from replacement need survey responses from jurisdictions in spring 2019.

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. Units lost from fires that occurred prior to January 1, 2018, have already been counted in the replacement need for the 6th RHNA cycle. However, the proposed methodology does not account for units lost to fires occurring since that time.

SCAG staff does not plan to assign an additional replacement need based on this planning factor since the next RHNA cycle replacement need will most likely include these units and applying this need now would result in double counting. This is due to the current practice of including historical demolition data from prior RHNA cycles. For example, units lost due to a fire that occurred in 2014 would have been considered as a replacement need for the 6th cycle. To determine replacement need for the 7th RHNA cycle (presumably 2029-2036), assuming that replacement need will determined in a similar fashion as the 6th cycle, historical data between 2015 and 2026 will be considered, which includes demolitions from fires that occurred in 2018, 2019, and 2020 – the current cycle. This will result in the double counting of replacement need, essentially adding in the requirement to replace these units in both the 6th and 7th RHNA cycles. Thus, the proposed RHNA methodology does not assign additional need due to this factor but encourages jurisdictions to replace demolished units as soon as possible to mitigate any potential affects from overcrowding and other consequences of lost 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 reduced greenhouse gas emissions. These include a mix of high-density housing types, neighborhood based mixed-use zoning, climate action plans, and other local efforts to reduce greenhouse gas emissions at the regional level.

Options 1 and 2 of the proposed RHNA methodology include a distribution of 20 percent of regional existing need based on a jurisdiction's share of regional population within an existing (2016) 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.

Option 1 and 3 include local input as a distribution component. Local input is a basis for SCAG's Connect SoCal Plan and the CTCs in their long-range planning, which addresses greenhouse gas emissions at the regional level since it is used to reach the State Air Resources Board regional targets.

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

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

Affirmatively Furthering Fair Housing (AFFH)

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

AFFH Survey

The AFFH survey accompanied the required local planning factor survey and that 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 for 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 act 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 zoned 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 allows a project to exceed existing density standards if it meets certain affordability requirements. Some responses in the survey indicate that the establishment of some of these tools and standards have reduced community opposition to projects. In addition, some jurisdictions responded that they have reduced review times for residential permit approvals and reduced or waived fees associated with affordable housing development.

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

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

Other jurisdictions indicate ~~that~~ they manage housing improvement programs to ensure that their existing affordable housing stock is well maintained. Some AFFH surveys describe multiple 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.

<u>Meeting AFFH Objectives on a Regional Basis</u>
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.

HUD created seven (7) neighborhood-level opportunity indices to measure exposure to opportunity in local communities. All of indices are available at the tract level and can be overlapped to determine areas that have low areas of opportunity. These indices use a wide variety of sources, including the American Community Survey, Common Core of Data, Location Affordability Index, and other established sources.

Index	Description
Jobs proximity	Quantifies the accessibility of a neighborhood to job locations within the larger region, with larger employment centers weighted accordingly
Environmental health	Describes the potential exposure to harmful toxins at the neighborhood level
Labor market engagement	Describes the relative intensity of labor market engagement and human capital in a neighborhood, using the unemployment rate, labor force participation rate, and educational attainment
Low poverty	Captures poverty in a neighborhood using the poverty rate
Low transportation cost	Estimates the transportation costs for a three-person single-parent family with income at 50 percent of the median income for renters
School proficiency	Uses fourth-grade performance to assess the quality of an elementary school in a neighborhood
Transit trips	Quantifies the number of public transit trips taken annually by a three-person single-parent family with income at 50 percent of the median income for renters

Source: Place and Opportunity, Urban Institute, June 2018

While the Opportunity Indices can provide useful information at the tract level, there are limitations in using them to base a RHNA allocation methodology to determine a jurisdiction's RHNA allocation. One of the main limitations are is that scores are based on the level of urbanization within the census tract, regardless if of whether a jurisdictions includes several levels of urbanization. For example, the unincorporated County of Los Angeles is quite large and covers many levels of urbanization and thus the opportunity index for a number of census tracts are considered rural and are compared to other rural parts of the State. At the same time, other census tracts within the unincorporated area are considered urban and are measured separately from the rural census tracts. In order to consider the unincorporated County of Los Angeles as one jurisdiction, the opportunity indices assigned to it must have its own methodology in order to combine them into one uniform jurisdiction. This

situation would require a special methodology that would not be applied to all jurisdictions, which may raises questions about equity on a methodology that was developed outside of the RHNA methodology.

For this reason, SCAG staff does not recommend using the Opportunity Indices to determine the RHNA methodology, but instead recommends that the Opportunity Indices be used to assess the results of the proposed methodology. If, for instance, areas that have a high concentration of poverty as indicated by the Opportunity Index receive a higher concentration of low lower-income housing than higher income jurisdictions as a result of the methodology, it could be concluded that the methodology does not meet the objectives of AFFH.

A map of the Opportunity Index as an overlay with HQTAs provides a general overview of the trends from the datasets. A preliminary review suggests that while some HQTAs areas would be considered lower resource areas and, thus possibly a higher concentration of poverty, other HQTA areas are higher resource and may improve access to fair housing. More analysis will be needed before the draft RHNA methodology is finalized to provide a reasonable conclusion based on the Opportunity Index and AFFH in the RHNA methodology.

Other prior research have looked at historical RHNA cycle allocations and their relationship to low income areas. Prior RHNA cycles heavily relied on local input on household growth as the main determining factor for a jurisdiction's RHNA allocation. While SCAG's review of the research data is preliminary, the study's conclusion indicates that past higher RHNA allocations were associated with cities jurisdictions with more residents of color, poverty, and distance from downtown Los Angeles.

Jobs Housing Fit
As discussed in an earlier section on local planning factors, the purpose of jobs housing fit is to go beyond increasing housing near jobs and increase the amount of affordable housing near low wage jobs. A number of census tracts that have a high index of resources identified by the Opportunity Index also have a high ratio of low wage jobs to affordable rental housing. This overlap suggests that existing housing and land use patterns do not fully support AFFH objectives since there is not enough affordable housing in high resources areas. Many areas that experience high levels of segregation and poverty do not have high ratios of jobs housing fit, which also suggests that these areas shoulder much of the affordable housing for low wage jobs located elsewhere.

Similar to the conclusion of the jobs housing fit overview earlier in this document, the most meaningful interpretation of this analysis is that current housing and land use patterns do not support the objective of improving jobs housing fit and correlated AFFH objectives. While it is possible that historical patterns adjusted for other factors, such as proximity to transit, might mitigate this outcome, a heavy reliance on historical patterns will continue these patterns into the future despite the objectives of State housing law.

Methodologies of Other COGs

Because State housing law allows for councils of governments (COGs) to develop and adopt their own methodology for each RHNA cycle, there is considerable variance among the RHNA methodologies adopted by COGs in previous RHNA cycles. This section provides a general overview of what the other three major COGs have adopted for the 5th RHNA cycle.

Association of Bay Area Governments (ABAG)

ABAG is the regional COG of the San Francisco Bay Area and covers 109 member jurisdictions, including nine (9) counties. Their 5th RHNA cycle methodology first looked at the total RHNA allocation for each jurisdiction before breaking it down further into each income category, and a complete description is available at https://abag.ca.gov/planning/housingneeds/pdfs/2015-23_RHNA_Plan.pdf.

To determine a jurisdiction's total RHNA allocation, ABAG's methodology emphasized connection to their Sustainable Communities Strategy (SCS), which is a required plan for COGs to integrate land use and transportation strategies to achieve California Air Resource Board greenhouse gas emission reduction targets. Seventy (70) percent of housing needs were distributed to Priority Development Areas (PDAs), which are highly urbanized areas with good access to transit and self-identified by jurisdictions and emphasized in SCS development. Additionally, here were several caps placed on the maximum percentage of growth a jurisdiction could receive in its PDA areas.

The remaining thirty (30) percent of the regional housing need was distributed to non-PDA areas based on three fair share principles. First, past RHNA performance was considered and jurisdictions that permitted a high number of affordable housing units in comparison to a prior RHNA cycle received a lower RHNA allocation. Second, jurisdictions that had a higher number of existing jobs in non-PDA areas received a higher allocation. Finally, jurisdictions that had higher transit frequency and coverage received a higher allocation.

After determining the total allocation, a 175 percent social equity adjustment was applied. For the 4th RHNA cycle, ABAG also used the same 175 social equity adjustment.

Sacramento Area Council of Governments (SACOG)

SACOG is the COG for twenty-eight (28) jurisdictions, including six (6) counties in the Sacramento area. For their 5th RHNA cycle methodology, SACOG focused on the allocation of affordable units. SACOG's plan is available at https://www.sacog.org/post/regional-housing-needs-allocation.

First, SACOG used a 100% social equity component for a combined category of very low and low income households, so all jurisdictions were required to meet the regional distribution regardless of their own existing distribution. The methodology then looked toward achieving regional income parity in the year 2050. Using an income distribution trend line to the year 2050, the methodology assigned lower affordable housing need to jurisdictions that had a higher concentration of lower income households than the regional distribution and higher affordable housing need to jurisdictions with a lower concentration. Although how the formula was applied was different from SCAG's, SACOG's methodology's end result was similar to SCAG's 5th cycle in that it used a formula based on a regional distribution and used household income as the determining factor.

San Diego Association of Governments (SANDAG)
SANDAG is the COG for the 19 jurisdictions within San Diego County. Their 5th cycle RHNA methodology applied the regional income distribution that was used in the regional determination provided by HCD, though several conditions were added to this social equity application. SANDAG's methodology is available in Appendix D of:
https://www.sandag.org/uploads/publicationid/publicationid_1661_14392.pdf.

First, housing elements in all jurisdictions were reviewed to ensure that no jurisdiction exceeded 20 dwelling units per acre capacity based on this distribution. This was applied using the "default density" assumption in State housing law, which allows for jurisdictions to use 20 or 30 dwelling units per acre (depending on the size of the metropolitan area and jurisdiction) as a proxy for affordable housing zoning in their sites and zoning inventory of their housing element instead of a comprehensive analysis of affordability. Five jurisdictions exceeded the 20 dwelling units per acre capacity, so the excessive units were redistributed to jurisdictions with remaining capacity using an adjustment of 112%.

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.

To maximize public engagement opportunities, SCAG staff will be hosting three scheduled public workshops to receive verbal and written comment on the proposed RHNA methodology. To increase participation from individuals and stakeholders that are unable to participate during regular working hours, one of the public workshops will be held in the evening hours. One of the workshops will also be held in the Inland Empire. SCAG will also work with its Environmental Justice Working Group (EJWG) and local stakeholder groups to reach out to their respective contacts in order to maximize outreach to groups representing low income, minority, and other traditionally disadvantaged populations. The dates of the workshops will be announced as part of the review and recommended release for public comment of the proposed RHNA methodology by the CEHD Committee and Regional Council on August 1, 2019.

Additionally, SCAG is reviewing other types of public engagement beyond traditional public hearing formats. These outreach opportunities include small group discussions, topic-specific events, and informal drop-in office hours around the region to increase participation from elected officials, municipal staff, stakeholders, and the general public. These plans will be included as part of the proposed RHNA methodology review for public release by the CEHD Committee and Regional Council on August 1, 2019.

Attachment

Step by Step Guide to Calculate a Jurisdiction's Draft RHNA Allocation Based on Option 1

This section will provide an overview of each step and examples of how Option 1 would be applied to two cities, City A and City B. Each data point unique to a jurisdiction can be found in the corresponding labeled column in the proposed RHNA methodology technical appendix. For example, a jurisdiction's share of regional population can be found in the spreadsheet titled "Share of 2019 Population in 2016 HQTAsPopulation and HQTA", column F. *It is important to note that the displayed data in the technical appendices are rounded data, so the resulting calculations of individual jurisdiction RHNA allocations using the PDF documents them may differ slightly from the draft RHNA allocation based on the final adopted RHNA methodology.*

The two cities are based on two existing SCAG cities, but their data has been modified to illustrate how the proposed methodology would affect different jurisdictions. City A is a jurisdiction that has a high concentration of lower income households and 38 percent of its total city acreage is within an HQTA. City B is located in a different county and is considered suburban, and does not have any HQTAs within its boundaries. It has a higher concentration of high income households in comparison to its county. For this example, City A and City B have the same population of 65,000.

The total regional RHNA allocation, which will include the regional existing and projected need, along with regional need by income category, will be determined as part of the HCD regional determination process and is separate from the SCAG methodology process. For purposes of illustration only, this staff report assumes a regional existing housing need of 250,000 units and a regional projected need of 425,000 units. However, because the regional determination process will not conclude until mid to late summer 2019, the final existing and projected needs for the region might be higher or lower.

Regional existing housing need 250,000	x	Distribution based on population share 70%	=	175,000
Regional existing housing need 250,000	x	Distribution based on population within HQTA 20%	=	50,000
Regional existing housing need 250,000	x	Distribution based on share of permits issued 10%	=	25,000

Step 1a: Share of Regional Population

SCAG staff recommends that 70 percent of the regional existing need be assigned based on a jurisdiction's share of the January 1, 2019 DOF regional population. Assuming a regional existing need of 250,000 units, this means that 70 percent, or 175,000 units will be distributed to jurisdictions based on their share of the 2019 DOF population estimates. This straightforward distribution assigns more existing need in areas with larger populations.

The SCAG region has a population of over 18 million people. Because City A and City B have the same population of 65,000, they both have has 0.35% of the region's population. Based on this step, they each will receive 606 units for their share of the regional existing population.

City A

		Table: Share of 2019 Population in 2016 HQTAsPopulation Population and HQTA Column F		
SCAG existing need based on population share	x	Share of regional population	=	City A Existing need based on share of regional population
175,000	x	0.35%	=	606

City B

		Table: Share of 2019 Population in 2016 HQTAsPopulation Population and HQTA Column F		
SCAG existing need based on population share	x	Share of regional population	=	City B Existing need based on share of regional population
175,000	x	0.35%	=	606

Step 1b: Share of Regional HQTA Population

The next step involves the consideration of proximity to transit to distribute the remaining 30 percent of the region's existing housing need. The 20 percent of the regional existing housing need will be distributed based on a jurisdiction's share of 2016 regional population within an existing (2016) HQTA. In this example, this translates to 50,000 units that will be distributed regionally based on this factor. City B does not have any HQTAs within its jurisdiction and will receive 0 units of the 50,000. City A has a mix of HQTA and non-HQTA areas. To calculate its share of the 50,000 regional units, the methodology looks at City A's population within its HQTA areas and determines its share of the regional population within HQTA areas. It is determined that City A has 0.37% of the 2016 regional population within an HQTA and will be assigned 183 based on this step.

City A

		Table: Share of 2019 Population in 2016 HQTAs~~Population and HQTA~~ Column K		
Existing need based on share of regional population	x	Share of regional population within HQTA	=	City A Existing need based on share of regional population within HQTA
75,000	x	0.37%	=	183

City B

		Table: Share of 2019 Population in 2016 HQTAs~~Population and HQTA~~ Column K		
SCAG existing need based on population share within HQTA	x	Share of regional population within HQTA	=	City B Existing need based on share of regional population within HQTA
75,000	x	0.00%	=	0

Step 1c: Relative Share of Regional Building Activity

The third step to determining existing need for a jurisdiction considers building permit activity of a jurisdiction since the start of the 4th RHNA cycle (2006) through 2018. Jurisdictions that issue fewer permits than expected for their population size will receive a higher assignment of existing housing need. Jurisdictions that issue a higher number of permits issued in comparison to their population will receive a small or no allocation based on this step.

In this example, 10 percent of the regional existing need, or 25,000, is assigned based on relative permitting activity. To determine each jurisdiction's share of this factor, a permit per population ratio is calculated by dividing the total number of permits issued (column F of the data page Number of Residential Units Permitted, Construction Industry Research Board) by the jurisdiction's 2019 population (column E). The ratio is then applied to the regional ratio, which is 0.026 permits per population. The regional ratio is applied to the jurisdiction's 2019 population to determine the expected number of permits that would be issued based on the jurisdiction's population size. For this step, City C is included to illustrate a jurisdiction that has issued more permits in comparison to its population.

	Table: Number of Residential Units Permitted Column E		Table: Number of Residential Units Permitted Column G		Table: Number of Residential Units Permitted Column H
	Population	x	Regional Permit per	=	Expected Permits for

			Population		Population Size
City A	71,343	x	0.026	=	1,828
City B	21,501	x	0.026	=	3,026
City C	12,707	x	0.026	=	1,760

	Table: Number of Residential Units Permitted Column H		Table: Number of Residential Units Permitted Column F		Table: Number of Residential Units Permitted Column I
	Expected Permits for Population Size	-	Permits Issued (2006-2018)	=	Permit Undersupply
City A	1,828	-	294	=	1,534
City B	3,026	-	2,550	=	476
City C	1,760	-	2,072	=	0 (no undersupply)

If the jurisdiction has issued fewer permits than is expected using the regional ratio, it is determined to have an undersupply of permits. The regional total of undersupply is calculated by adding each jurisdiction's undersupply, or 137,166. Next, each jurisdiction's share of the regional total of permit undersupply is calculated.

	Table: Number of Residential Units Permitted Column I		Table: Number of Residential Units Permitted Cell I200		Table: Number of Residential Units Permitted Column J
	Permit Undersupply	/	Regional Permit Undersupply	=	Share of Undersupply
City A	1,534	/	137,166	=	1.12%
City B	476	/	137,166	=	0.35%
City C	0	/	137,166	=	0.00%

The share of undersupply is then applied to the ten percent of existing need.

	Table: Number of Residential Units Permitted Column J				
	Share of Undersupply	x	Regional existing need based on permit activity	=	Existing need based on permit activity
City A	1.12%	x	25,000	=	280
City B	0.35%	x	25,000	=	88
City C	0.00%	x	25,000	=	0

To determine a jurisdiction's existing housing need steps 1a, 1b, and 1c are combined.

Step 1a: Existing need based on population share	+	Step 1b: Existing need based on share of regional population within HQTA	+	Step 1c: Existing need based on regional building activity	=	City A Existing need
606	+	183	+	280	=	1,069

Step 1a: Existing need based on population share	+	Step 1b: Existing need based on share of regional population within HQTA	=	Step 1c: Existing need based on regional building activity		City B Existing need
606	+	0	=	88	=	694

Step 1d: Social Equity Adjustment for Existing Need

The next step is to calculate income categories for existing housing need and by income category.

A social equity adjustment approach compares a jurisdiction's distribution for each income category to the county distribution and then multiplies the difference between the two by a ratio (converted from the percentage). The adjusted difference is then subtracted from the jurisdictions existing household income distribution.

	Table: Social Equity Adjustments Column E/F/G/H	Table: Social Equity Adjustments Top Table	Table: Social Equity Adjustments Column I/J/K/L
Income category	City A existing household income distribution	County X existing housing distribution	110% adjustment
Very low	30.1%	26.1%	25.7%
Low	23.2%	15.2%	14.4%
Moderate	17.6%	16.1%	16.0%
Above moderate	29.1%	42.6%	43.9%

Household Income Level	Formula to Calculate City A Social Equity Adjustment of 110%
Very Low Income	30.1%-[(30.1%-26.1%)x110%] =25.7%
Low Income	23.2%-[(23.2%-15.2%)x110%] =14.4%
Moderate Income	17.6%-[(17.6%-16.1%)x110%] =16.0%
Above Moderate Income	29.1%-[(29.1%-42.6%)x110%] =43.9%

The same mechanism is then applied to City B. The adjustment results in a different trend since City B has a lower concentration of lower-income households in comparison to County Y, so it is required to do a higher percentage of lower-income households than the county after adjustment.

	Social Equity Adjustments Column E/F/G/H	Social Equity Adjustments Top Table	Social Equity Adjustments Column I/J/K/L

Income category	City B existing household income distribution	County Y existing housing distribution/ 100% adjustment	110% adjustment
Very low	15.8%	24.7%	25.6%
Low	12.2%	16.1%	16.5%
Moderate	16.8%	17.5%	17.5%
Above moderate	55.2%	41.8%	40.4%

To determine three income categories and maintain the same total existing need, the above moderate income category is redistributed back to the three remaining income categories while retaining the same proportions. For example in City A, the 43.9% of above moderate is distributed among the very low, low, and moderate income categories. To do so, the first three categories are summed.

	Redistribution Column I		Redistribution Column J		Redistribution Column K		Redistribution Column M
	Very low	+	Low	+	Moderate	=	Total of Three Categories
City A	25.7%	+	14.4%	+	16.0%	=	56.1%
City B	25.6%	+	16.5%	+	17.5%	=	59.6%

To maintain the same ratios for the first three categories, each percentage is divided by the total of the three categories. For City A, this is 56.4%.

Household Income Level	Formula to Calculate Three Income Categories from Four City A
Very Low Income	25.7% / 56.1% = 45.8%
Low Income	14.4% / 56.1% = 25.7%
Moderate Income	16.0% / 56.1% = 28.5%
Above Moderate Income	--

	Redistribution Column N	Redistribution Column O	Redistribution Column P		
Income Distribution	Very low	Low	Moderate	Above moderate	Total
City A: After 110% adjustment and 3 categories	45.8%	25.7%	28.5%	_ _	100%
City B: After 110% adjustment and	42.9%	27.7%	29.4%	_ _	100%

3 categories					

The readjusted category percentages are applied to the total existing need to determine the units for each category.

Existing housing need	City A RHNA allocation (units)	City B RHNA allocation (units)
Very low	459	318
Low	296	178
Moderate	315	198
Above moderate	--	--
Total	1,069	694

Step 2a: Projected Household Growth

For purposes of illustration, this report assumes that the regional household growth is determined to be 425,000. Using local input submitted by City A and City B, the share of regional household growth for the jurisdictions, e.g., for years 2020-2030, is calculated and applied to the RHNA regional household growth of 425,000.

		Table: Projected Household Growth Column K		
Regional household growth	x	Share of regional household growth	=	City A household growth
425,000	x	0.12%	=	498

		Table: Projected Household Growth Column K		
Regional household growth	x	Share of regional household growth	=	City B household growth
425,000	x	0.31%	=	1,324

While the jurisdictions have the same population, they have reported different responses in household growth over the same time period. This can be due to different reasons, including varying market conditions, demand, and building activity. Moreover the household growth indicated by jurisdictions does not include anticipated income levels of reported future households and the projected growth reported from jurisdictions may vary by socioeconomic indicators.

Step 2b: Future Vacancy Need

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 ~~percentages~~ percentage shares 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 owner-occupied ~~owners~~ and those that are predicted to be ~~renters~~renter-occupied. This assumes the mix of new households will be the same mix and shares as the existing housing stock.

Next, two different vacancy rates are applied. SCAG staff recommends using the same percentages applied in the regional determination provided by HCD to generate a healthy vacancy market. For purposes of illustration, this example uses an owner-occupied unit~~s~~ rate of 1.5 percent while using a rate of 5 percent for renter-occupied units.

The following components to determine future vacancy need can be found in the Appendix using the following columns:

Component	Location
Projected household growth	Table: Projected Household Growth Column J
Percentage of owner-occupied units	Table: Vacant Units by Type & Tenure Column H
Percentage of renter-occupied units	Table: Vacant Units by Type & Tenure Column I

City A: 498 Projected HH growth

Existing owner and renter

42.4% Owner-Occupied	57.6% Renter-Occupied
211 units X 1.5% = 3 units	287 units X 5.0% = 15 units

3 units + 15 units = 18 units

For City A, ~~there are~~ 57.6% are renter-occupied households and 42.4% are owner-occupied households. These percentages are applied to the household growth to indicate that of that projected growth, 211 are likely to be owners and 287 will be renters. For the 211 owner-occupied households, there will need to be a vacancy rate of 1.5 percent, or 3 units, to support household growth and create a healthy vacancy market. For the 287 renter-occupied households, there will need to be a vacancy rate of 5 percent, or 15 units, to

support household growth and create a healthy vacancy market. These subtotals by tenure are then added together to determine City A's future vacancy need of, 18 units to create a healthy vacancy market.

The same process is applied to City B. Based on this methodology, City B's future vacancy need is 35 units.

City B: 1,324 Projected HH growth

Existing owner and renter

66.5% Owner-Occupied = 880 of total units	33.5% Renter-Occupied = 444 of total units
880 units X 1.5% = 13 units	444 units X 5.0% = 22 units

13 units + 22 units = 35 units

Step 2c: ReplacementNeed

SCAG staff recommends that replacement need be calculated using a jurisdiction's share of the regional replacement need. Once SCAG receives its regional determination from HCD, SCAG will be able to apply these percentage shares to each jurisdiction. For illustrative purposes in this example, the replacement need for the region is 5,000 units. Based on their submitted surveys, City A has a net share of 0.48% of the regional replacement need while City B has indicated every demolished unit was replaced, resulting in a 0.0% share. This results in a replacement need of 24 units for City A and 0 units for City B.

		Table: Replacement Need 2006-2018 Column F		
Regional Replacement Need	x	Share of regional net replacement need	=	City A replacement need
5,000	x	0.48%	=	24

		Table: Replacement Need 2006-2018 Column F		
Regional Replacement Need	x	Share of regional net replacement need	=	City B replacement need
5,000	x	0.00%	=	0

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

Projected HH growth	+	Future vacancy need	+	Replacement need	=	City A projected housing need
498	+	18	+	24	=	540

Projected HH growth	+	Future vacancy need	+	Replacement need	=	City B projected housing need
1,324	+	35	+	0	=	1,359

The next step is to separate projected housing need into four income categories. To avoid perpetuating historical patterns of segregation in consideration of AFFH, SCAG staff recommends a 150 percent social equity adjustment to projected housing need.

Similar to step 1c, the existing household income distribution is compared to the county distribution and then modified. A 150 percent adjustment results in a noticeably higher difference in income categories for City and City B in comparison to their respective county distributions than a 110 percent adjustment.

	Table: Social Equity Adjustments Column E/F/G/H	Table: Social Equity Adjustments Top Table	Table: Social Equity Adjustments Column M/N/O/P
Income category	City A existing household income distribution	County X existing housing distribution/ 100% adjustment	150% adjustment
Very low	30.1%	26.1%	24.1%
Low	23.2%	15.2%	11.2%
Moderate	17.6%	16.1 %	15.4%
Above moderate	29.1%	42.6%	49.3%

Income category	City Bexisting household income distribution	County Y existing housing distribution/ 100% adjustment	150% adjustment
Very low	15.8%	24.7%	29.1%
Low	12.2%	16.1%	18.0%
Moderate	16.8%	17.5%	17.8%
Above moderate	55.2%	41.8%	35.1%

The social equity-adjusted readjusted category percentages are applied to the total existing need to determine the units for each category.

Projected housing need	City A RHNA allocation (units)	City B RHNA allocation (units)
Very low	130	396
Low	61	245
Moderate	83	242
Above moderate	266	477
Total	540	1,359

Step 3: Total RHNA Allocation

The final step in is determining a jurisdiction's total RHNA allocation by income category. This is completed by combining the income categories as determined by step 1 and 2. Due to rounding, there are some differences among the integers.

City A	Very low	Low	Moderate	Above moderate	Total
Existing need	459	296	315	--	1,069
Projected need	130	60	83	266	540
Total RHNA	589	356	398	266	1,608

City B	Very low	Low	Moderate	Above moderate	Total
Existing need	318	178	198	--	694
Projected need	396	245	242	477	1,359

Total RHNA	713	423	440	477	2,053

Total RHNA Allocation (units)	Very low	Low	Moderate	Above moderate	Total
City A	589	356	398	266	1,608
City B	713	423	440	477	2,053

There is no guide for option 2

Step by Step Guide to Calculate a Jurisdiction's Draft RHNA Allocation Based on Option 3

Option 3 follows a similar process as calculating projected growth in Option 1, except that it uses share of projected population growth between 2020 and a selected horizon year instead of interpolated share of household growth between 2021 and 2029. The horizon year will be selected using the regional number of households that is closest to the regional determination of households provided by HCD. For example if HCD provides a regional determination of 800,000 units, the selected horizon year will be 2035 because the regional household growth between 2020 and 2035 is 838,130.

The addition of two other components of in Option 3, future vacancy need and replacement need, will result in a regional allocation that is more than the regional determination. If Option 3 is selected, SCAG will normalize the total RHNA allocation for each jurisdiction after the distribution mechanism is applied so that the total of every jurisdiction's draft RHNA allocation will equal the total regional determination provided by HCD.

Step 1a: Projected Household Growth Based on Population Share

Using local input submitted by City A and City B, the share of regional population growth for the jurisdictions is calculated and applied to the total regional housing determination. In this example, since the horizon year is 2035, the corresponding column is "M" from the "Local Population and Household Growth" appendix. If the horizon year is selected as 2030, column "I" will be used. If the horizon year is selected as 2045, column "P" will be used.

		Table: Local Population and Household Growth Column M		
Regional determination	x	Share of regional population growth (2020-Horizon Year)	=	City A household growth
800,000	x	0.14%	=	910

		Table: Local Population and Household Growth Column M		
Regional determination	x	Share of regional population growth (2020-Horizon Year)	=	City B household growth
800,000	x	0.76%	=	4,950

Step 1b: Future Vacancy Need

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 percentages shares 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 owner-occupied owners and those that are predicted to be renter-occupieds. This assumes the mix of new households will be the same mix and shares as the existing housing stock.

Next, two different vacancy rates are applied. SCAG staff recommends using the same percentages applied in the regional determination provided by HCD. For purposes of illustration, this example uses an owner-occupied units rate of 1.5 percent while using and a rate of 5 percent for renter-occupied units.

The following components to determine future vacancy need can be found in the Appendix using the following columns:

Component	Location
Percentage of owner-occupied units	Table: Vacant Units by Type & Tenure Column H
Percentage of renter-occupied units	Table: Vacant Units by Type & Tenure Column I

For City A, there are 57.6% are renter-occupied households and 42.4% are owner-occupied households. These percentages are applied to the household growth to indicate that calculate the of that projected growth, 385 are likely to be owners and 524 will be renters. For the 385 owner-occupied households, there will need to be a vacancy rate of 1.5 percent, or 6 units, to support household growth and create a healthy vacancy market. For the 524 renter-occupied households, there will need to be a vacancy rate of 5 percent, or 26 units, to support household growth and create a healthy vacancy market. These subtotals by tenure are then added together to determine City A's future vacancy need, of 32 units to create a healthy vacancy market.

City A: 910 Projected HH growth

Existing owner and renter

| 42.4% Owner-Occupied
=385 of total units | 57.6% Renter-Occupied
= 524 of total units |

| 385 units X 1.5% = 6 units | 524 units X 5.0% = 26 units |

6 units + 26 units = 32 units

The same process is applied to City B. Based on this methodology, City B's future vacancy need is 132 units.

City B: 4,950 Projected HH growth

Existing owner and renter

| 66.5% Owner-Occupied
=3,292 of total units | 33.5% Renter-Occupied
= 1,658 of total units |

| 3,292 units X 1.5% = 49 units | 1,658 units X 5.0% = 83 units |

49 units + 83 units = 132 units

Step 1c: ReplacementNeed

SCAG staff recommends that replacement need be calculated using a jurisdiction's share of the regional replacement need. Once SCAG receives its regional determination from HCD, SCAG will be able to apply these percentage shares to each jurisdiction. For illustrative purposes in this example, the replacement need for the region is 5,000 units. Based on their submitted surveys, City A has a net share of 0.48% of the regional replacement need while City B has indicated every demolished unit was replaced, resulting in a 0.0% share. This results in a replacement need of 24 units for City A and 0 units for City B.

		Table: Replacement Need Column F		
Regional Replacement Need	x	Share of regional net replacement need	=	City A replacement need
5,000	x	0.48%	=	24

		Table: Replacement Need Column F		
Regional Replacement Need	x	Share of regional net replacement need	=	City B replacement need
5,000	x	0.00%	=	0

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

Projected HH growth	+	Future vacancy need	+	Replacement need	=	City A projected housing need
910	+	32	+	24	=	966

Projected HH growth	+	Future vacancy need	+	Replacement need	=	City B projected housing need
4,950	+	132	+	0	=	5,082

The next step is to separate ~~projected~~ the total housing need into four income categories. To avoid perpetuating historical patterns of segregation in consideration of AFFH, SCAG staff recommends a 150 percent social equity adjustment to ~~projected~~ the total housing need.

	Table: Social Equity Adjustments Column E/F/G/H	Table: Social Equity Adjustments Top Table	Table: Social Equity Adjustments Column M/N/O/P
Income category	City A existing household income distribution	County X existing housing distribution/ 100% adjustment	150% adjustment
Very low	30.1%	26.1%	24.1%
Low	23.2%	15.2%	11.2%
Moderate	17.6%	16.1 %	15.4%
Above moderate	29.1%	42.6%	49.3%

Income category	City B existing household income distribution	County Y existing housing distribution/ 100% adjustment	150% adjustment
Very low	15.8%	24.7%	29.1%
Low	12.2%	16.1%	18.0%
Moderate	16.8%	17.5%	17.8%
Above moderate	55.2%	41.8%	35.1%

The readjusted category percentages are applied to the total existing need to determine the units for each category.

Projected housing need	City A RHNA allocation (units)	City B RHNA allocation (units)
Very low	233	1,479
Low	108	916
Moderate	149	905
Above moderate	476	1,782
Total	966	5,082

Proposed RHNA Methodology
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Data in the Proposed Methodology Appendix is subject to corrections as appropriate

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Proposed RHNA Methodology
EXECUTIVE SUMMARY
SCAG is required to develop a proposed RHNA methodology to distribute total need, which includes both existing and projected housing need, for the 6th cycle RHNA for each jurisdiction, which will cover the planning period October 2021 through October 2029. Three options for distribution of the regional determination are provided for a public review and comment period. In addition to a distribution mechanism for housing need, the proposed methodology must also address the State housing objectives which include affirmatively furthering fair housing and the consideration of local planning factors.

Members of the public are welcome to provide comments on the three options, which may include but not limited to:

- *Modifications to any of the proposed three options;*
- *Additional factors or suggestions to be considered as part of any of the proposed three options; and*
- *Any new option for the RHNA allocation methodology.*

Comments can be provided at any of the public hearings or sent to housing@scag.ca.gov by September 3, 2019.

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 for a variety of factors and reasons despite continuing population growth over decades.

As part of the RHNA process SCAG must develop a proposed 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 proposed methodology appendix that contains a full set of various underlying data and assumptions to support the proposed methodology. Due to the size of the appendix, a limited number of printed copies are available. However, SCAG has posted the full methodology appendix, on its RHNA webpage: www.scag.ca.gov/rhna.

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Per State housing law, the RHNA distribution methodology must distribute existing and projected housing need to all jurisdictions. The following section provides three (3) options 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. To illustrate how different components affect jurisdictions, an example of how the multi-step process based on each option for two different example jurisdictions are provided as an attachment to this packet. While the proposed 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 proposed 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.
3. Local input on household growth should not be the only deciding factor to determine a jurisdiction's RHNA allocation.
4. 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 proposed 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
SCAG staff provided various factors to the RHNA Subcommittee at their meetings between February and June 2019 to consider for developing a proposed RHNA methodology. Based on feedback and input from Subcommittee members and stakeholders, SCAG staff is recommending the release of three (3) options for public comment and review. During the formal public comment period on the proposed RHNA methodology, SCAG staff will solicit verbal and written input from elected officials, jurisdictions, stakeholders, and the general public on these options and other components of the proposed methodology. Based on feedback received, SCAG staff will recommend one option to the RHNA Subcommittee, CEHD Committee, and Regional Council for submittal to HCD for their 60-day review period. After reviewing HCD comments, which is anticipated to be received by December 2019, SCAG staff will provide a recommended final RHNA methodology for adoption by RHNA Subcommittee, CEHD Committee, and Regional Council in January or February 2020.

Members of the public are welcome to provide comments on the three options, which may include but not limited to:
- *Modifications to any of the proposed three options;*
- *Additional factors or suggestions to be considered as part of any of the proposed three options; and*
- *Any new option for the RHNA allocation methodology.*

Comments can be provided at any of the public hearings or sent to housing@scag.ca.gov by September 3, 2019.

Option 1

The first option is a multistep process that determines a jurisdiction's existing need separately from projected need.

Prior to the development of the proposed RHNA methodology, SCAG will receive a regional determination by income category for the 6th cycle RHNA from HCD. The total determination will be a combination of existing and projected need based on the consideration of a variety of data and projections in consultation with SCAG and the California Department of Finance (DOF). It is anticipated that HCD will only provide a total determination instead of separate allocations for existing need and projected need.

A methodology that uses different distribution formulas for existing need and projected need will need to separate the regional existing need and projected need from the total determination provided by HCD. The table below is a summary of the components from the total regional determination that SCAG will consider as aspects of projected or existing need. It is unknown at the time of this report's development if HCD will include all of these components; however, SCAG will update the proposed methodology to reflect any revisions made as a result of the determination provided by HCD. It is anticipated that HCD will provide a regional determination to SCAG no later than August 2019.

Existing need	Projected need
Overcrowding	Projected household growth
Cost-burden	Future vacancy need
Existing vacancy rates below fair market rates	Replacement need

For projected household growth, SCAG's local input 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. Expected growth on tribal land is subtracted from the regional total, after which adjustments are made to the expected projection period for non-tribal household growth. A vacancy adjustment of 1.5% for owner-occupied units and 5% for renter-occupied units will be applied to the regional projected household growth to

determine future vacancy need. Next a regional replacement need is added, which is a region-level estimate of expected replacement need over the RHNA period.

Existing need consists of overcrowding, cost-burden, current vacancy rates below fair market rates, and any other components that are included in the regional determination provided by HCD or are not otherwise related to projected need as described above.

After determining the existing need and projected need for the region, option 1 applies a three-step process to determine a jurisdiction's draft RHNA allocation by income category:

1. Determine existing housing need
   a. Assign 70 percent of regional existing need to jurisdictions based on each jurisdiction's share of the 2019 Dept. of Finance (DOF) regional population
   b. Assign 20 percent of regional existing need based on a jurisdiction's share of 2016 local input 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 from CIRB
   d. Redistribute the above moderate category into the three lower-income categories (very low, low, and moderate)
      c.e. 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 2020-2030 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 using 2017 American Community Survey existing shares by tenure and apply to the growth increment.
   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 in spring 2019 to SCAG
   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

Step 1: Determine Existing Housing Need

The first step to determine a jurisdiction's RHNA allocation is to determine its existing housing need using the regional existing need as the starting point. Staff's recommendation to determine this splits the regional existing need into two parts. One part is based on the jurisdiction's share of DOF January 1, 2019 regional population and the second part is based on the jurisdiction's share of the region's 2016 local input population within a HQTA. The third part is based on the jurisdiction's share of relative building activity from 2006-2018.

Step 1a: Share of Regional Population

To distribute existing housing need, 70 percent of the regional existing need will be assigned based on a jurisdiction's share of regional population. This distribution assigns more existing need in areas with larger populations. The source of regional population is from the California Department of Finance E-5 table, May 2019.

Step 1b: Share of Regional HQTA Population

The next step involves the consideration of proximity to transit to distribute ~~the remaining~~ 20 percent of the region's existing housing need in an effort to better align transportation and housing as well as in recognition that lower income households tend to live in HQTA areas in comparison to higher income households. To measure proximity to transit, the proposed RHNA methodology uses High Quality Transit Areas (HQTA)s as of 2016, 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 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

The 20 percent of the regional existing housing need will be distributed based on a jurisdiction's share of the 2016 local input regional population within an HQTA (as of 2016). Not all jurisdictions have an HQTA within their jurisdictional boundaries and their total existing need will only be based on their respective shares of the regional population outlined in other steps.

Step 1c: Relative Share of Regional Building Activity

Ten percent of existing need will be distributed based on recent building permit activity (2006-2018) reported by CIRB in order to ensure that jurisdictions which have recently permitted a higher share of the region's building activity relative to their population will receive a relatively lower allocation.

This step compares a jurisdiction's rate of building permits issued since the start of the 4th cycle of RHNA (2006) through 2018 to the region's rate of permitting. A jurisdiction which had lower than the regional average of permits per population will receive an increased allocation. This will be based on the difference between the jurisdiction's share of regional permit undersupply. The undersupply is calculated based on the jurisdiction's expected number of residential unit permits based on its population size, which is determined based on an expected number of permits for its population in comparison to the regional ratio of residential unit permits issued per population and comparing it to residential unit permits issued from 2006 through 2018. A jurisdiction which has issued more permits per population than the region will receive no allocation based on this step.

Step 1d: Redistribution of the Above Moderate Households & Social Equity Adjustment for Existing Need

The next step after combining a jurisdiction's share of regional population, share of regional population within an HQTA, and share of regional building activity is to calculate income categories for existing housing need and by income category. The total existing housing need will be categorized into three, instead of four income categories: very low, low, and moderate income. Above moderate need is then redistributed proportionately to the three remaining categories. After summing the results of the three steps prior, the three lower-income categories are summed and a relative share for the three categories is calculated. This is then applied to the total for the above moderate category and those are then redistributed into the very low, low, and moderate income categories. Data for household income distribution is sourced from the American Community Survey (ACS) 2013- 2017 5-year estimates Tables B19001 and B19013.

While approximately 43 percent of all SCAG households live within an HQTA as of 2016, lower income households tend to live within an HQTA while higher income households tend to live in non-HQTA areas. For example, in Los Angeles County 63 percent of all households live within an HQTA, with 72 percent of the County's very low income households living within an HQTA while only 56 percent of above moderate income households do. In San Bernardino County, 9 percent of households live within an HQTA, with 11 percent of its very low income households living within an HQTA while only 6 percent of above moderate households live in HQTAs. The pattern of disparity among the income levels means that assigning RHNA need based on HQTAs may result in higher allocations to areas that have a high concentration of lower income households and possibly perpetuate segregation patterns based on income and indirectly race. [1] For this reason, the proposed methodology includes an income adjustment of 110 percent to existing need in order to mitigate an overconcentration of income groups while acknowledging that the existing need is essential in areas with existing need indicators.

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[1] While not a formal part of this analysis to recommend a proposed RHNA methodology, there are numerous social

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equity and environmental justice studies and data available that correlate areas of lower income households with racial minorities and other protected groups under the federal Fair Housing Act.

At the same time, the conditions of cost-burden have disproportionate impacts on lower income households. For example, a lower income household paying 40 percent of their income on housing has less remaining income available for other costs than that of a higher income household that spends the same percentage on housing. The lower the income of the household the more impact overpaying on household costs becomes. In addition, past RHNA progress reports indicated that the RHNA target for above moderate income housing has been met while not for the other three income categories: very low, low and moderate. This is because subsidies are not needed to construct above moderate housing. For this reason, SCAG recommends that existing need focus on three income categories and exclude above moderate income housing from a jurisdiction's existing need.

For reference, below is the median household income by county from 2017 ACS 5-year estimates. State law requires that the mitigation of overconcentration of income categories be compared to the county distribution rather than the regional distribution.

> 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

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). However, one of the State housing objectives 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.

A social equity adjustment approach compares a jurisdiction's distribution for each income category to the county distribution and then makes an adjustment to each category distribution to the jurisdiction. If the adjustment was 100 percent a jurisdiction's distribution would be exactly the same as the County's distribution. Conceptually a 110 percent adjustment means that the City meets the County distribution and goes beyond that threshold by 10 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.

To determine three income categories and maintain the same total existing need, units are first allocated across four income categories. Then, the above moderate income category is redistributed proportionately across the very low, low, and moderate categories.

A social equity adjustment that is lower than that used for projected need acknowledges that while there is an objective to mitigate the overconcentration of income categories, there is still need for affordable housing in communities that currently have a high concentration of lower income

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households. The need for assigning existing housing need to lower income categories also works towards this balance by removing market rate housing since indicators of existing housing need, such as overcrowding and cost-burden, tend to impact lower income households more than high income households.

Step 2: Determine Projected Housing Need
The next step is to determine a jurisdiction's projected need.

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

a. Determine the jurisdiction's share of regional projected household growth based on local input, e.g., 2020-2035
b. Determine future vacancy need based on a jurisdiction's existing composition of owner and renter households (2017 ACS 5-year estimates) 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 share of regional replacement need based on replacement need survey results from April 2019 or original DOF data

Step 2a: Projected Household Growth
Between October 2017 and October 2018, SCAG staff conducted the bottoms-up Local Input and Envisioning process, which was an extensive outreach effort that surveyed each SCAG jurisdiction on population, household, and employment growth, among other local policies and plans to help inform the Connect SoCal and other regional plans such as RHNA. SCAG staff met with all 197 jurisdictions within the region and collected input and data on growth throughout the process. Based on the input received on household growth, the proposed methodology assigns projected household growth based on a jurisdiction's share of regional household growth.

SCAG's local input growth forecast for the years 2020-2030 is used as the basis for calculating RHNA 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 2b: 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).

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 (DP04). 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. While it is unknown at this time what HCD will use for their regional determination, SCAG staff has requested the use of 1.5 percent for owner-occupied units while using a rate of 5 percent for renter-occupied units per statute. The difference is due to the higher rates of turnover generally reported by renter units in comparison to owner-occupied units. Additionally, rRecent State legislation requires that renter units have a minimum vacancy rate of 5 percent. 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. This assumes future housing growth will be the same type and mix as the existing housing stock.

Step 2c: Replacement Need

Residential units are demolished for a variety of reasons, including natural disasters, fire, or desires to construct entirely new residences. Each time a unit is demolished, a household is may be displaced, which can disrupt and disrupts the jurisdiction's pattern of projected household growth. The household may choose to live in a vacant unit or leave the jurisdiction, of which both scenarios result in negative household growth through the loss of a vacant unit for a new household or subtracting temporarily from the jurisdiction's 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 share of the regional replacement need based on data submitted for the replacement need survey, which was conducted between March and April 2019.

Each jurisdiction's share of historical demolitions between reporting years 2008 and 2018, which was collected from the California Department of Finance (DOF) during the annual Housing Unit Survey, 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 and units lost due to site zoning changes to non-residential uses. A net replacement need was determined based on this information for each jurisdiction and

each jurisdiction's share of the net regional replacement need was calculated. Once SCAG receives its regional determination from HCD, SCAG will be able to apply these percentage shares to each jurisdiction.

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

2d: Projected Need Social Equity Adjustment

The next step is to separate projected housing need into four income categories. To avoid perpetuating historical patterns of segregation in consideration of AFFH, the proposed methodology applies a 150 percent social equity adjustment to projected housing need.

Similar to step 1c, the existing household income distribution is compared to the county distribution and then modified. A 150 percent adjustment results in a noticeably higher difference in income categories, particularly for jurisdictions that are much lower or higher than the county distribution. The data source is from the ACS 2013-2017 5-year estimates.

The readjusted category percentages are then applied to the total existing need for each jurisdiction to determine the units for each category.

Step 3: Total RHNA Allocation

The final step in determining a jurisdiction's total RHNA allocation by income category. This is completed by combining the income categories as determined by step 1 and 2.

Option 2

A second option for the distribution in the proposed RHNA methodology uses the ~~one~~ SCAG regional total from the determination provided by HCD to determine a jurisdiction's RHNA allocation instead of separating existing need from projected need. 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 DOF January 1, 2019 regional population
   b. Assign 20 percent of regional need based on a jurisdiction's share of 2016 population within the regional high quality transit areas (HQTAs as of 2016)

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)

Step 1: Determine total RHNA need

Similar to calculating total existing need from Option 1, step 1 in Option 2 bases a total allocation based on the jurisdiction's share of regional population and the jurisdiction's share of regional population within an HQTA.

As discussed in Option 1, lower income households tend to live in HQTA areas in comparison to higher income households. The pattern of disparity among the income levels means that assigning any RHNA need based on HQTAs may result in a higher allocation to areas that already have a high concentration of lower income households and possibly perpetuate segregation patterns based on income and, indirectly, race. While Option 1 only applies the HQTA factor to existing need, Option 2 applies this factor to the total need, which could exacerbate overconcentration that social equity alone cannot address. For this reason, Option 2 increases the recommended social equity adjustment to 150%.

Step 2: Determine Four Income Categories

Jurisdiction Total Housing Need

Jurisdiction's share of regional population

+

Jurisdiction's share of regional population within HQTA

150% social equity adjustment

Juri sdict ion Tota l Ho usi ng Need

| Very low |
| Low |
| Moderate |
| Above moderate |

The next step of Option 2 is to determine four income categories using a 150 percent social equity adjustment. This application is similar to step 2 in Option 1. The higher social equity adjustment is recommended to mitigate the percentage of ~~low~~ lower-income household~~s~~ categories assigned while step 1 in this option mitigates the total of ~~low~~ lower-income households assigned.

Option 2 does not factor in projected household growth from local input, replacement need, or future vacancy need that are featured in Option 1. Input provided by RHNA Subcommittee members requested that ~~a~~ both existing and projected need be distributed in the same way. Other input provided indicated that HQTAs should factor in ~~to~~ projected need. Option 2 touches on both of these comments, though it departs from other ~~perspectives~~ comments that indicate local input on household growth should be factored in to the distribution methodology.

Option 3

A third option to consider for the RHNA methodology is to use 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 ultimately uses share of regional population growth.

The bottom-up local input and envisioning process produces jurisdiction-level household totals for 2016, 2020, 2030, 2035, and 2045. Option 1 uses 82.5% of projected local input growth from 2020-2030 to determine housing need due to projected household growth. Population growth as referenced in the technical appendix is total population, which includes both group quarters and household population. Whereas the regional determination from HCD remains unknown as of this writing, it is expected to be below the regional household total for 2045. Therefore, option 3 will choose the local input year closest to the regional determination – 2030, 2035, or 2045 – as the basis for jurisdiction-level RHNA allocation. For example, if HCD provides a regional determination of 800,000, then the horizon year selected will be 2035 since the difference between household growth between 2020 and 2035 is 838,000.

Once the horizon year is selectedidentified, 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 calculated and 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.

Local input on household growth for each horizon year can be found in the proposed RHNA methodology technical appendix page titled Local Population and Household Growth 2020-2045 Connect SoCalPopulation Growth.

Option 1 vs. Option 2 vs. Option 3: A Comparison

The three proposed RHNA methodology options offer different mechanisms to determine a jurisdiction's draft RHNA allocation from the regional total.

	Option 1	Option 2	Option 3
Existing need separate from projected need	Yes	No	No
Higher total of lower income categories	Yes	No	No
Emphasis on HQTA from regional total	On existing need only, 20%	On total allocation, 20%	No
Accounts for recent building activity	Yes	No	No
Social equity adjustment	110% for existing need 150% for projected need	150% for total need	150% for total need
Local input as a component	Yes	No	Yes

Option 1 allows for a higher degree of variability than Option 2 since it relies on both pre-determined characteristics (such as HQTAs) and on local input, which can vary by jurisdiction and does not necessarily rely on pre-determined characteristics. Proponents of Option 1 may argue that its distribution mechanism allows for local conditions as reported by jurisdictions while still accommodating a the need for linkage to regional transportation and land use planning. Option 1 also assigns existing need to the three lower-income categories, which can meet the existing need factor of cost- burden specifically for low income households.

Option 2 does not differentiate between existing and projected need in its distribution mechanism and creates a stronger link to regional transportation and land use planning by applying proximity to transit as a factor to the total need distribution. While local input is not a component, some proponents of Option 2 may argue that because local input may not inherently explicitly consider regional goals might be a reason to exclude it as a main factor in RHNA methodology.

Option 3 uses local input as the basis for determining a jurisdiction's share of regional growth. While Option 1 considers share of household growth as a factor for projected need, Option 3 considers population growth as a factor for total RHNA need. Except for household income distribution for social equity adjustment, this option does not use other factors beyond local input on growth, such as transit proximity, to determine a jurisdiction's housing need.

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.

The proposed RHNA methodology provides a multi-tier approach to ensuring that housing need is distributed throughout the SCAG region in a transparent and equitable manner. The various components of the distribution mechanism address each of the five outlined objectives.

- *Distribution of existing need based on regional population share (Option 1 and Option 2)* Assigning existing housing need based on regional population and HQTA population shares meet several RHNA objectives. First, by assigning based on regional population and HQTA population shares instead of assigning need to where existing need indicators occur, the proposed methodology ensures that no single jurisdiction is over-burdened with the region's existing needs. This regional approach ~~accommodates~~ acknowledges 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.

- *Distribution of existing need based on regional HQTA population share (Option 1 and Option 2)*
  As well as being a regionally equitable approach, assigning need based on a jurisdiction's share of population within an HQTA promotes additional objectives of State housing law. Linking regional housing planning to regional transportation and land use planning 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 share of population within an HQTA 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 proposed RHNA methodology.

- *Social Equity Adjustments (Option 1, Option 2, and Option 3)*
  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~~ reduces the 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 more 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.

- *Assigning existing need for very low, low, and moderate income categories (Option 1)*
  Option 1 emphasizes distributing existing housing need based on very low, low, and moderate income categories and excludes assignment for the above moderate category. Excluding above moderate income households from the determination of existing housing need meets the objectives of promoting socioeconomic equity and affirmatively furthering fair housing. While this component increases the overall need for lower income categories, by percentage, for all jurisdictions, it is more pronounced in higher income areas since these areas have a higher percentage of above moderate income households, which are

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redistributed to the lower income categories. Similar to the social equity adjustment, this component promotes a mix of housing types, tenure, and affordability, along with socioeconomic equity and affirmatively furthering fair housing.

- *Local input on growth (Option 1 and Option 3)*
  Collected from the local input process, which is collectively higher than the SCAG draft growth projections, 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) and projects already approved or under construction.

Local Planning Factors

As part of the development of the proposed RHNA methodology, SCAG must conduct a survey of planning factors that identify local conditions and explain how each of the listed factors are incorporated into the proposed methodology. The survey was distributed to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. One-hundred and four (104) jurisdictions, or approximately 53%, 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 pre-survey and surveyed a binary yes/no as to whether these factors impacted jurisdictions. The formal local input survey was pre-populated with the pre-survey answers to help facilitate survey response. The full packet of surveys submitted prior to the development of the proposed methodology packet 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 RHNA methodology will equitably distribute housing need and that underlying challenges as a region are 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.

SCAG conducted an analysis of jobs housing balance, or Index of Dissimilarity (IOD), which is a ratio of total jobs to housing units, 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 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% from ___% to ___%, 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 from ___% to ___%.

At the county level, between 2012 and 2017 the jobs housing balance improved by 4.8% from ___% to ___%. 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 from ___% to ___%.

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 ratio is expected to _____ between 2012 and 2030.

The results of the jobs housing balance and jobs housing fit analyses 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 than its historical trend since 2012. 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.

Several suggestions were raised made to consider employment centers, or areas with a high concentration of jobs, as a direct factor in the proposed RHNA methodology. One of the main limitations identified with the direction application of this factor is from the assumption that jobs and housing ratios need to be confined to jurisdictional boundaries regardless of actual commute distances or the number of workers in the home. Residence in the same city does not necessarily translate into a shorter commute, particularly if the worker lives near the city boundary or if there is more than one worker per home. Commute sheds defined by a driving distance radius could be defined, but this would require further analysis of subregional and possibly county data and may be complicated by limitations in referenced studies. For this reason, SCAG staff does not recommend using jobs housing fit as a factor in the distribution methodology. However, distribution of need based on other mechanisms, such as HQTA, overlaps with some of the areas identified as having a high concentration of jobs to housing overall and low wage jobs to low wage workers.

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 the current distribution pattern based on historical household growth, including data collected from local input, may not be the most

equitable method of distribution to determine housing need in respect to job housing balance.

For the full results of the jobs housing balance and fit analyses and maps, please refer to the appendix of the proposed 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.

Option 1 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.

Though it does not use local input on household growth as a major component, option 2 also meets these planning factors through its weighting of HQTAs. The weighting of a jurisdiction's population share within an HQTA directs a certain amount of housing need toward infill opportunity areas. Prior RHNA cycles did not promote direct linkage to existing transit proximity and the current proposed methodology encourages more efficient land use patterns by utilizing existing transportation infrastructure and preserves areas designated as open space and agricultural lands.

(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 to develop for option 1. For both option 1 and option 2, 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 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 proposed RHNA methodology since it was incorporated into the local input submitted by jurisdictions for Option 1. Option 2 reflects this factor by directing part of the regional housing need to HQTA areas, which are generally not intended as agricultural or preservation areas.

(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~~of losing their affordability status in the near future have indicated that they are currently reviewing and developing local resources to address the potential loss. Based on this, SCAG staff has determined that at-risk units are best addressed through providing data on these units as part of the proposed RHNA methodology and giving local jurisdictions the discretion to address this factor and adequately plan for any at-risk unit loss in preparing their housing elements.

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

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

Moreover, 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. To address the issue of cost-burden and promote affordability in areas with lower levels of affordable units, the distribution methodology's social equity adjustment assigns higher percentages of lower income units in jurisdictions that are higher income. This does not imply that lower income areas do not need more affordable units; rather, it results in assigning need throughout the region since cost-burden is a regionwide problem.

The reason for a regionwide distribution of existing need rather than assigning need based on this existing need indicator is because it is impossible to determine through the methodology how and why the cost-burdening is occurring in a particular jurisdiction. Cost-burdened is a symptom of housing need and not its cause. A jurisdiction might permit a high number of units but still experiences cost-burden because other jurisdictions restrict residential permitting. Or, a jurisdiction might have a large number of owner-occupied housing units that command premium pricing, causing cost-burden for high income households ~~and especially~~or on lower income households due to high rents from high land

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costs. An analysis of existing need indicators by jurisdiction, which is part of the proposed methodology data appendix, does not reveal a single strong trend to base a distribution methodology for cost-burden and thus the proposed methodology distributes this existing need indicator regionally rather than to where the indicators exist.

Finally, the distribution of existing need into three income categories (very low, low, and moderate) in Option 1 acknowledges that while cost-burden a disproportionately affects lower income households, it also has a disproportionate effect *on* a lower income household. For example, a high income household that spends 40 percent of its income on housing will have more disposable income available than a very low income household that also spends 40 percent of its income on housing. To address this, the distribution methodology for existing need in Option 1 results in more ~~low~~ lower-income units to all jurisdictions.

(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~~1.0 persons per room (not only bedrooms) 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 is required to review data pertaining to overcrowding, which is a new requirement for the 6th RHNA cycle. Because overcrowding is caused in part by an accumulated housing supply deficit, overcrowding is included in the proposed methodology's distribution of existing housing need by factoring in HQTAs.

Similar to cost-burden, the reason for a regionwide distribution of existing need rather than assigning need based on this existing need 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 proposed methodology data appendix, does not reveal a single strong trend to base a distribution methodology for overcrowding and thus the proposed 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 proposed methodology should consider this as a factor. SCAG staff has included data on the density of jurisdictions in the proposed methodology technical appendix.

While density is not directly addressed as a factor, the social equity adjustment indirectly addresses density, particularly for lower income jurisdictions. In housing elements, jurisdictions ~~most~~must demonstrate that a site is affordable for lower income households by

applying a "default density", defined in State housing law as either 20 or 30 dwelling units per acre depending on geography and population. In other words, a site that is zoned at 30 dwelling units per acre is automatically considered as meeting the zoning need for a low income household. There is not a corresponding default density for above moderate income zoning. Assigning a lower percentage of lower income households than what currently existing in the housing stock 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 proposed methodology appendix provides ACS 2012-2016 data on agricultural jobs by jurisdiction, as well as workers by place of residence. The RHNA 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.

Similar to at-risk units, the proposed methodology does not include a distribution mechanism to distribute farmworker housing. However, SCAG is providing data in its proposed 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 proposed RHNA methodology. To determine this number, HCD reviewed historical demolition permit data between 2008 and 2017 (reporting years 2009 ~~and~~ to 2018) and data provided on net replacement need collected from replacement need survey responses from jurisdictions in spring 2019.

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. Units lost from fires that occurred prior to January 1, 2018, have already been counted in the replacement need for the 6th RHNA cycle. However, the proposed methodology does not account for units lost to fires occurring since that time.

SCAG staff does not plan to assign an additional replacement need based on this planning factor since the next RHNA cycle replacement need will most likely include these units and applying this need now would result in double counting. This is due to the current practice of including historical demolition data from prior RHNA cycles. For example, units lost due to a fire that occurred in 2014 would have been considered as a replacement need for the 6th cycle. To determine replacement need for the 7th RHNA cycle (presumably 2029-2036), assuming that replacement need will determined in a similar fashion as the 6th cycle, historical data between 2015 and 2026 will be considered, which includes demolitions from fires that occurred in 2018, 2019, and 2020 – the current cycle. This will result in the double counting of replacement need, essentially adding in the requirement to replace these units in both the 6th and 7th RHNA cycles. Thus, the proposed RHNA methodology does not assign additional need due to this factor but encourages jurisdictions to replace demolished units as soon as possible to mitigate any potential affects from overcrowding and other consequences of lost 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 reduced greenhouse gas emissions. These include a mix of high-density housing types, neighborhood based mixed-use zoning, climate action plans, and other local efforts to reduce greenhouse gas emissions at the regional level.

Options 1 and 2 of the proposed RHNA methodology include a distribution of 20 percent of regional existing need based on a jurisdiction's share of regional population within an existing (2016) 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

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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.

Option 1 and 3 include local input as a distribution component. Local input is a basis for SCAG's Connect SoCal Plan and the CTCs in their long-range planning, which addresses greenhouse gas emissions at the regional level since it is used to reach the State Air Resources Board regional targets.

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

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

Affirmatively Furthering Fair Housing (AFFH)

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

AFFH Survey

The AFFH survey accompanied the required local planning factor survey ~~and~~ that 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~~ for 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~~ act 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 zoned 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 allows a project to exceed existing density standards if it meets certain affordability requirements. Some responses in the survey indicate that the establishment of some of these tools and standards have reduced community opposition to projects. In addition, some jurisdictions responded that they have reduced review times for residential permit approvals and reduced or waived fees associated with affordable housing development.

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

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

Other jurisdictions indicate ~~that~~ they manage housing improvement programs to ensure that their existing affordable housing stock is well maintained. Some AFFH surveys describe multiple 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.

HUD created seven (7) neighborhood-level opportunity indices to measure exposure to opportunity in local communities. All of indices are available at the tract level and can be overlapped to determine areas that have low areas of opportunity. These indices use a wide variety of sources, including the American Community Survey, Common Core of Data, Location Affordability Index, and other established sources.

Index	Description
Jobs proximity	Quantifies the accessibility of a neighborhood to job locations within the larger region, with larger employment centers weighted accordingly
Environmental health	Describes the potential exposure to harmful toxins at the neighborhood level
Labor market engagement	Describes the relative intensity of labor market engagement and human capital in a neighborhood, using the unemployment rate, labor force participation rate, and educational attainment
Low poverty	Captures poverty in a neighborhood using the poverty rate
Low transportation cost	Estimates the transportation costs for a three-person single-parent family with income at 50 percent of the median income for renters
School proficiency	Uses fourth-grade performance to assess the quality of an elementary school in a neighborhood
Transit trips	Quantifies the number of public transit trips taken annually by a three-person single-parent family with income at 50 percent of the median income for renters

Source: Place and Opportunity, Urban Institute, June 2018

While the Opportunity Indices can provide useful information at the tract level, there are limitations in using them to base a RHNA allocation methodology to determine a jurisdiction's RHNA allocation. One of the main limitations are is that scores are based on the level of urbanization within the census tract, regardless if of whether a jurisdictions includes several levels of urbanization. For example, the unincorporated County of Los Angeles is quite large and covers many levels of urbanization and thus the opportunity index for a number of census tracts are considered rural and are compared to other rural parts of the State. At the same time, other census tracts within the unincorporated area are considered urban and are measured separately from the rural census tracts. In order to consider the unincorporated County of Los Angeles as one jurisdiction, the opportunity indices assigned to it must have its own methodology in order to combine them into one uniform jurisdiction. This

situation would require a special methodology that would not be applied to all jurisdictions, which may raises questions about equity on a methodology that was developed outside of the RHNA methodology.

For this reason, SCAG staff does not recommend using the Opportunity Indices to determine the RHNA methodology, but instead recommends that the Opportunity Indices be used to assess the results of the proposed methodology. If, for instance, areas that have a high concentration of poverty as indicated by the Opportunity Index receive a higher concentration of low lower-income housing than higher income jurisdictions as a result of the methodology, it could be concluded that the methodology does not meet the objectives of AFFH.

A map of the Opportunity Index as an overlay with HQTAs provides a general overview of the trends from the datasets. A preliminary review suggests that while some HQTAs areas would be considered lower resource areas and, thus possibly a higher concentration of poverty, other HQTA areas are higher resource and may improve access to fair housing. More analysis will be needed before the draft RHNA methodology is finalized to provide a reasonable conclusion based on the Opportunity Index and AFFH in the RHNA methodology.

Other prior research have looked at historical RHNA cycle allocations and their relationship to low income areas. Prior RHNA cycles heavily relied on local input on household growth as the main determining factor for a jurisdiction's RHNA allocation. While SCAG's review of the research data is preliminary, the study's conclusion indicates that past higher RHNA allocations were associated with cities jurisdictions with more residents of color, poverty, and distance from downtown Los Angeles.

Jobs Housing Fit
As discussed in an earlier section on local planning factors, the purpose of jobs housing fit is to go beyond increasing housing near jobs and increase the amount of affordable housing near low wage jobs. A number of census tracts that have a high index of resources identified by the Opportunity Index also have a high ratio of low wage jobs to affordable rental housing. This overlap suggests that existing housing and land use patterns do not fully support AFFH objectives since there is not enough affordable housing in high resources areas. Many areas that experience high levels of segregation and poverty do not have high ratios of jobs housing fit, which also suggests that these areas shoulder much of the affordable housing for low wage jobs located elsewhere.

Similar to the conclusion of the jobs housing fit overview earlier in this document, the most meaningful interpretation of this analysis is that current housing and land use patterns do not support the objective of improving jobs housing fit and correlated AFFH objectives. While it is possible that historical patterns adjusted for other factors, such as proximity to transit, might mitigate this outcome, a heavy reliance on historical patterns will continue these patterns into the future despite the objectives of State housing law.

Methodologies of Other COGs

Because State housing law allows for councils of governments (COGs) to develop and adopt their own methodology for each RHNA cycle, there is considerable variance among the RHNA methodologies adopted by COGs in previous RHNA cycles. This section provides a general overview of what the other three major COGs have adopted for the 5th RHNA cycle.

Association of Bay Area Governments (ABAG)

ABAG is the regional COG of the San Francisco Bay Area and covers 109 member jurisdictions, including nine (9) counties. Their 5th RHNA cycle methodology first looked at the total RHNA allocation for each jurisdiction before breaking it down further into each income category, and a complete description is available at https://abag.ca.gov/planning/housingneeds/pdfs/2015-23_RHNA_Plan.pdf.

To determine a jurisdiction's total RHNA allocation, ABAG's methodology emphasized connection to their Sustainable Communities Strategy (SCS), which is a required plan for COGs to integrate land use and transportation strategies to achieve California Air Resource Board greenhouse gas emission reduction targets. Seventy (70) percent of housing needs were distributed to Priority Development Areas (PDAs), which are highly urbanized areas with good access to transit and self-identified by jurisdictions and emphasized in SCS development. Additionally, here were several caps placed on the maximum percentage of growth a jurisdiction could receive in its PDA areas.

The remaining thirty (30) percent of the regional housing need was distributed to non-PDA areas based on three fair share principles. First, past RHNA performance was considered and jurisdictions that permitted a high number of affordable housing units in comparison to a prior RHNA cycle received a lower RHNA allocation. Second, jurisdictions that had a higher number of existing jobs in non-PDA areas received a higher allocation. Finally, jurisdictions that had higher transit frequency and coverage received a higher allocation.

After determining the total allocation, a 175 percent social equity adjustment was applied. For the 4th RHNA cycle, ABAG also used the same 175 social equity adjustment.

Sacramento Area Council of Governments (SACOG)

SACOG is the COG for twenty-eight (28) jurisdictions, including six (6) counties in the Sacramento area. For their 5th RHNA cycle methodology, SACOG focused on the allocation of affordable units. SACOG's plan is available at https://www.sacog.org/post/regional-housing-needs-allocation.

First, SACOG used a 100% social equity component for a combined category of very low and low income households, so all jurisdictions were required to meet the regional distribution regardless of their own existing distribution. The methodology then looked toward achieving regional income parity in the year 2050. Using an income distribution trend line to the year 2050, the methodology assigned lower affordable housing need to jurisdictions that had a higher concentration of lower income households than the regional distribution and higher affordable housing need to jurisdictions with a lower concentration. Although how the formula was applied was different from SCAG's, SACOG's methodology's end result was similar to SCAG's 5th cycle in that it used a formula based on a regional distribution and used household income as the determining factor.

San Diego Association of Governments (SANDAG)
SANDAG is the COG for the 19 jurisdictions within San Diego County. Their 5th cycle RHNA methodology applied the regional income distribution that was used in the regional determination provided by HCD, though several conditions were added to this social equity application. SANDAG's methodology is available in Appendix D of:
https://www.sandag.org/uploads/publicationid/publicationid_1661_14392.pdf.

First, housing elements in all jurisdictions were reviewed to ensure that no jurisdiction exceeded 20 dwelling units per acre capacity based on this distribution. This was applied using the "default density" assumption in State housing law, which allows for jurisdictions to use 20 or 30 dwelling units per acre (depending on the size of the metropolitan area and jurisdiction) as a proxy for affordable housing zoning in their sites and zoning inventory of their housing element instead of a comprehensive analysis of affordability. Five jurisdictions exceeded the 20 dwelling units per acre capacity, so the excessive units were redistributed to jurisdictions with remaining capacity using an adjustment of 112%.

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.

To maximize public engagement opportunities, SCAG staff will be hosting three scheduled public workshops to receive verbal and written comment on the proposed RHNA methodology. To increase participation from individuals and stakeholders that are unable to participate during regular working hours, one of the public workshops will be held in the evening hours. One of the workshops will also be held in the Inland Empire. SCAG will also work with its Environmental Justice Working Group (EJWG) and local stakeholder groups to reach out to their respective contacts in order to maximize outreach to groups representing low income, minority, and other traditionally disadvantaged populations. The dates of the workshops will be announced as part of the review and recommended release for public comment of the proposed RHNA methodology by the CEHD Committee and Regional Council on August 1, 2019.

Additionally, SCAG is reviewing other types of public engagement beyond traditional public hearing formats. These outreach opportunities include small group discussions, topic-specific events, and informal drop-in office hours around the region to increase participation from elected officials, municipal staff, stakeholders, and the general public. These plans will be included as part of the proposed RHNA methodology review for public release by the CEHD Committee and Regional Council on August 1, 2019.

Attachment

Step by Step Guide to Calculate a Jurisdiction's Draft RHNA Allocation Based on Option 1

This section will provide an overview of each step and examples of how Option 1 would be applied to two cities, City A and City B. Each data point unique to a jurisdiction can be found in the corresponding labeled column in the proposed RHNA methodology technical appendix. For example, a jurisdiction's share of regional population can be found in the spreadsheet titled "Share of 2019 Population in 2016 HQTAsPopulation and HQTA", column F. *It is important to note that the displayed data in the technical appendices are rounded data, so the resulting calculations of individual jurisdiction RHNA allocations using the PDF documents them may differ slightly from the draft RHNA allocation based on the final adopted RHNA methodology.*

The two cities are based on two existing SCAG cities, but their data has been modified to illustrate how the proposed methodology would affect different jurisdictions. City A is a jurisdiction that has a high concentration of lower income households and 38 percent of its total city acreage is within an HQTA. City B is located in a different county and is considered suburban, and does not have any HQTAs within its boundaries. It has a higher concentration of high income households in comparison to its county. For this example, City A and City B have the same population of 65,000.

The total regional RHNA allocation, which will include the regional existing and projected need, along with regional need by income category, will be determined as part of the HCD regional determination process and is separate from the SCAG methodology process. For purposes of illustration only, this staff report assumes a regional existing housing need of 250,000 units and a regional projected need of 425,000 units. However, because the regional determination process will not conclude until mid to late summer 2019, the final existing and projected needs for the region might be higher or lower.

Regional existing housing need 250,000	x	Distribution based on population share 70%	=	175,000
Regional existing housing need 250,000	x	Distribution based on population within HQTA 20%	=	50,000
Regional existing housing need 250,000	x	Distribution based on share of permits issued 10%	=	25,000

Step 1a: Share of Regional Population

SCAG staff recommends that 70 percent of the regional existing need be assigned based on a jurisdiction's share of the January 1, 2019 DOF regional population. Assuming a regional existing need of 250,000 units, this means that 70 percent, or 175,000 units will be distributed to jurisdictions based on their share of the 2019 DOF population estimates. This straightforward distribution assigns more existing need in areas with larger populations.

The SCAG region has a population of over 18 million people. Because City A and City B have the same population of 65,000, they both have has 0.35% of the region's population. Based on this step, they each will receive 606 units for their share of the regional existing population.

City A

		Table: Share of 2019 Population in 2016 HQTAsPopulation Population and HQTA Column F		
SCAG existing need based on population share	x	Share of regional population	=	City A Existing need based on share of regional population
175,000	x	0.35%	=	606

City B

		Table: Share of 2019 Population in 2016 HQTAsPopulation Population and HQTA Column F		
SCAG existing need based on population share	x	Share of regional population	=	City B Existing need based on share of regional population
175,000	x	0.35%	=	606

Step 1b: Share of Regional HQTA Population

The next step involves the consideration of proximity to transit to distribute the remaining 30 percent of the region's existing housing need. The 20 percent of the regional existing housing need will be distributed based on a jurisdiction's share of 2016 regional population within an existing (2016) HQTA. In this example, this translates to 50,000 units that will be distributed regionally based on this factor. City B does not have any HQTAs within its jurisdiction and will receive 0 units of the 50,000. City A has a mix of HQTA and non-HQTA areas. To calculate its share of the 50,000 regional units, the methodology looks at City A's population within its HQTA areas and determines its share of the regional population within HQTA areas. It is determined that City A has 0.37% of the 2016 regional population within an HQTA and will be assigned 183 based on this step.

City A

		Table: Share of 2019 Population in 2016 HQTAs~~Population and HQTA~~ Column K		
Existing need based on share of regional population	x	Share of regional population within HQTA	=	City A Existing need based on share of regional population within HQTA
75,000	x	0.37%	=	183

City B

		Table: Share of 2019 Population in 2016 HQTAs~~Population and HQTA~~ Column K		
SCAG existing need based on population share within HQTA	x	Share of regional population within HQTA	=	City B Existing need based on share of regional population within HQTA
75,000	x	0.00%	=	0

Step 1c: Relative Share of Regional Building Activity

The third step to determining existing need for a jurisdiction considers building permit activity of a jurisdiction since the start of the 4th RHNA cycle (2006) through 2018. Jurisdictions that issue fewer permits than expected for their population size will receive a higher assignment of existing housing need. Jurisdictions that issue a higher number of permits issued in comparison to their population will receive a small or no allocation based on this step.

In this example, 10 percent of the regional existing need, or 25,000, is assigned based on relative permitting activity. To determine each jurisdiction's share of this factor, a permit per population ratio is calculated by dividing the total number of permits issued (column F of the data page Number of Residential Units Permitted, Construction Industry Research Board) by the jurisdiction's 2019 population (column E). The ratio is then applied to the regional ratio, which is 0.026 permits per population. The regional ratio is applied to the jurisdiction's 2019 population to determine the expected number of permits that would be issued based on the jurisdiction's population size. For this step, City C is included to illustrate a jurisdiction that has issued more permits in comparison to its population.

	Table: Number of Residential Units Permitted Column E		Table: Number of Residential Units Permitted Column G		Table: Number of Residential Units Permitted Column H
	Population	x	Regional Permit per	=	Expected Permits for

			Population		Population Size
City A	71,343	x	0.026	=	1,828
City B	21,501	x	0.026	=	3,026
City C	12,707	x	0.026	=	1,760

	Table: Number of Residential Units Permitted Column H		Table: Number of Residential Units Permitted Column F		Table: Number of Residential Units Permitted Column I
	Expected Permits for Population Size	-	Permits Issued (2006-2018)	=	Permit Undersupply
City A	1,828	-	294	=	1,534
City B	3,026	-	2,550	=	476
City C	1,760	-	2,072	=	0 (no undersupply)

If the jurisdiction has issued fewer permits than is expected using the regional ratio, it is determined to have an undersupply of permits. The regional total of undersupply is calculated by adding each jurisdiction's undersupply, or 137,166. Next, each jurisdiction's share of the regional total of permit undersupply is calculated.

	Table: Number of Residential Units Permitted Column I		Table: Number of Residential Units Permitted Cell I200		Table: Number of Residential Units Permitted Column J
	Permit Undersupply	/	Regional Permit Undersupply	=	Share of Undersupply
City A	1,534	/	137,166	=	1.12%
City B	476	/	137,166	=	0.35%
City C	0	/	137,166	=	0.00%

The share of undersupply is then applied to the ten percent of existing need.

	Table: Number of Residential Units Permitted Column J		Regional existing need based on permit activity		Existing need based on permit activity
	Share of Undersupply	x	Regional existing need based on permit activity	=	Existing need based on permit activity
City A	1.12%	x	25,000	=	280
City B	0.35%	x	25,000	=	88
City C	0.00%	x	25,000	=	0

To determine a jurisdiction's existing housing need steps 1a, 1b, and 1c are combined.

Step 1a: Existing need based on population share	+	Step 1b: Existing need based on share of regional population within HQTA	+	Step 1c: Existing need based on regional building activity	=	City A Existing need
606	+	183	+	280	=	1,069

Step 1a: Existing need based on population share	+	Step 1b: Existing need based on share of regional population within HQTA	=	Step 1c: Existing need based on regional building activity		City B Existing need
606	+	0	=	88	=	694

Step 1d: Social Equity Adjustment for Existing Need

The next step is to calculate income categories for existing housing need and by income category.

A social equity adjustment approach compares a jurisdiction's distribution for each income category to the county distribution and then multiplies the difference between the two by a ratio (converted from the percentage). The adjusted difference is then subtracted from the jurisdictions existing household income distribution.

	Table: Social Equity Adjustments Column E/F/G/H	Table: Social Equity Adjustments Top Table	Table: Social Equity Adjustments Column I/J/K/L
Income category	City A existing household income distribution	County X existing housing distribution	110% adjustment
Very low	30.1%	26.1%	25.7%
Low	23.2%	15.2%	14.4%
Moderate	17.6%	16.1%	16.0%
Above moderate	29.1%	42.6%	43.9%

Household Income Level	Formula to Calculate City A Social Equity Adjustment of 110%
Very Low Income	30.1%-[(30.1%-26.1%)x110%] =25.7%
Low Income	23.2%-[(23.2%-15.2%)x110%] =14.4%
Moderate Income	17.6%-[(17.6%-16.1%)x110%] =16.0%
Above Moderate Income	29.1%-[(29.1%-42.6%)x110%] =43.9%

The same mechanism is then applied to City B. The adjustment results in a different trend since City B has a lower concentration of lower-income households in comparison to County Y, so it is required to do a higher percentage of lower-income households than the county after adjustment.

	Social Equity Adjustments Column E/F/G/H	Social Equity Adjustments Top Table	Social Equity Adjustments Column I/J/K/L

Income category	City B existing household income distribution	County Y existing housing distribution/ 100% adjustment	110% adjustment
Very low	15.8%	24.7%	25.6%
Low	12.2%	16.1%	16.5%
Moderate	16.8%	17.5%	17.5%
Above moderate	55.2%	41.8%	40.4%

To determine three income categories and maintain the same total existing need, the above moderate income category is redistributed back to the three remaining income categories while retaining the same proportions. For example in City A, the 43.9% of above moderate is distributed among the very low, low, and moderate income categories. To do so, the first three categories are summed.

	Redistribution Column I		Redistribution Column J		Redistribution Column K		Redistribution Column M
	Very low	+	Low	+	Moderate	=	Total of Three Categories
City A	25.7%	+	14.4%	+	16.0%	=	56.1%
City B	25.6%	+	16.5%	+	17.5%	=	59.6%

To maintain the same ratios for the first three categories, each percentage is divided by the total of the three categories. For City A, this is 56.4%.

Household Income Level	Formula to Calculate Three Income Categories from Four City A
Very Low Income	25.7% / 56.1% = 45.8%
Low Income	14.4% / 56.1% = 25.7%
Moderate Income	16.0% / 56.1% = 28.5%
Above Moderate Income	--

	Redistribution Column N	Redistribution Column O	Redistribution Column P		
Income Distribution	Very low	Low	Moderate	Above moderate	Total
City A: After 110% adjustment and 3 categories	45.8%	25.7%	28.5%	_ _	100%
City B: After 110% adjustment and	42.9%	27.7%	29.4%	_ _	100%

44

3 categories				

The readjusted category percentages are applied to the total existing need to determine the units for each category.

Existing housing need	City A RHNA allocation (units)	City B RHNA allocation (units)
Very low	459	318
Low	296	178
Moderate	315	198
Above moderate	--	--
Total	1,069	694

Step 2a: Projected Household Growth

For purposes of illustration, this report assumes that the regional household growth is determined to be 425,000. Using local input submitted by City A and City B, the share of regional household growth for the jurisdictions, e.g., for years 2020-2030, is calculated and applied to the RHNA regional household growth of 425,000.

		Table: Projected Household Growth Column K		
Regional household growth	x	Share of regional household growth	=	City A household growth
425,000	x	0.12%	=	498

		Table: Projected Household Growth Column K		
Regional household growth	x	Share of regional household growth	=	City B household growth
425,000	x	0.31%	=	1,324

While the jurisdictions have the same population, they have reported different responses in household growth over the same time period. This can be due to different reasons, including varying market conditions, demand, and building activity. Moreover the household growth indicated by jurisdictions does not include anticipated income levels of reported future households and the projected growth reported from jurisdictions may vary by socioeconomic indicators.
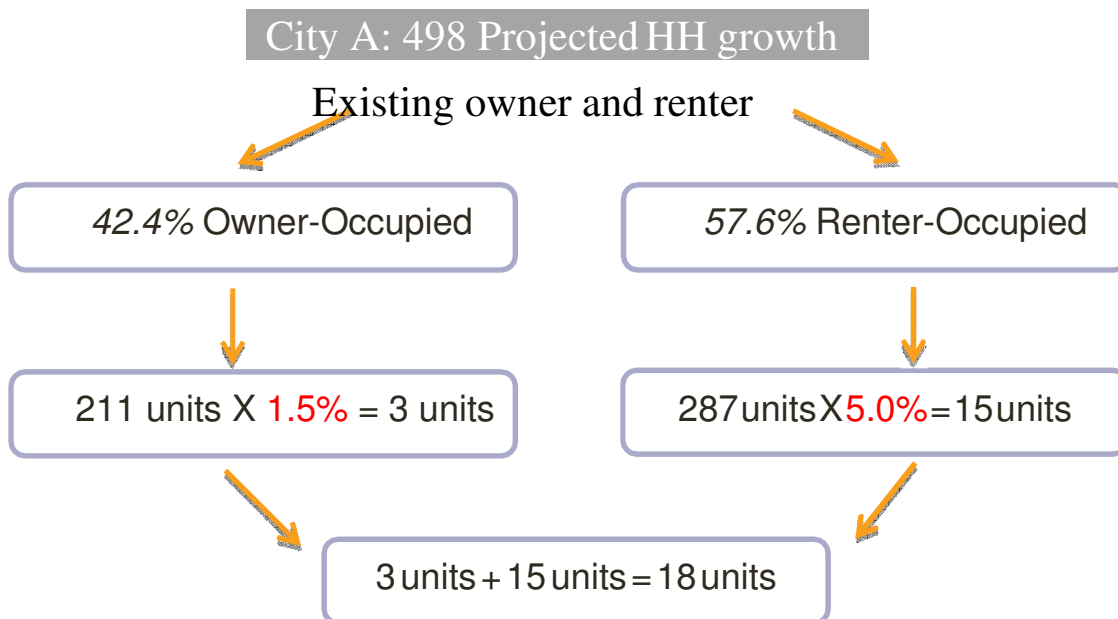
Step 2b: Future Vacancy Need

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 ~~percentages~~ percentage shares 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 owner-occupied ~~owners~~ and those that are predicted to be ~~renters~~renter–occupied. This assumes the mix of new households will be the same mix and shares as the existing housing stock.

Next, two different vacancy rates are applied. SCAG staff recommends using the same percentages applied in the regional determination provided by HCD to generate a healthy vacancy market. For purposes of illustration, this example uses an owner-occupied unit~~s~~ rate of 1.5 percent while using a rate of 5 percent for renter-occupied units.

The following components to determine future vacancy need can be found in the Appendix using the following columns:
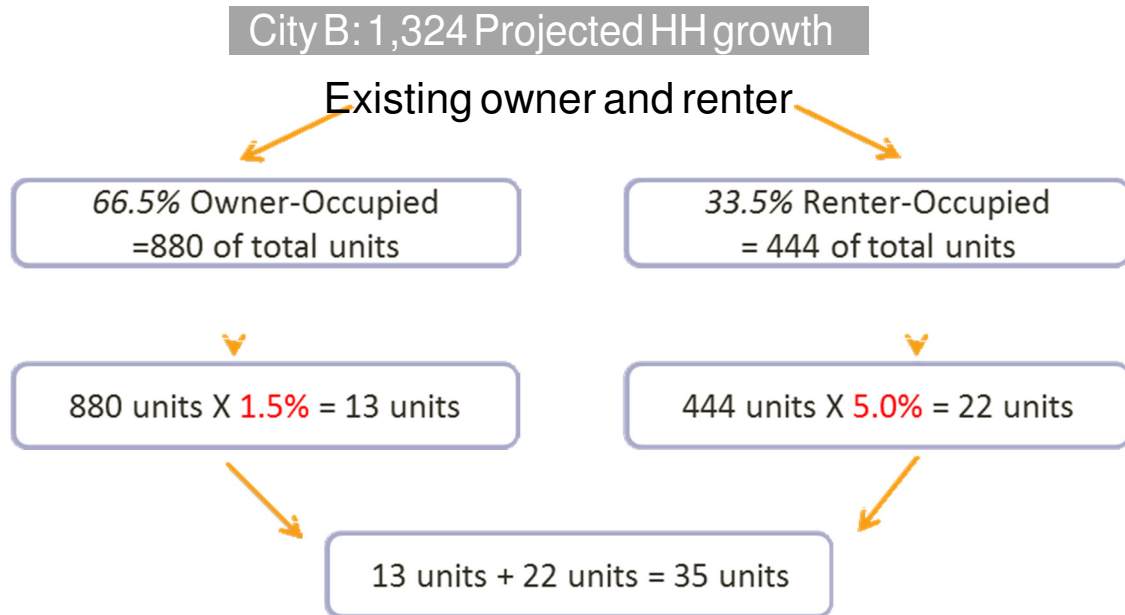
Component	Location
Projected household growth	Table: Projected Household Growth Column J
Percentage of owner-occupied units	Table: Vacant Units by Type & Tenure Column H
Percentage of renter-occupied units	Table: Vacant Units by Type & Tenure Column I

City A: 498 Projected HH growth

Existing owner and renter

42.4% Owner-Occupied	57.6% Renter-Occupied
211 units X 1.5% = 3 units	287 units X 5.0% = 15 units

3 units + 15 units = 18 units

For City A, ~~there are~~ 57.6% are renter-occupied households and 42.4% are owner-occupied households~~.~~ These percentages are applied to the household growth to indicate that of that projected growth, 211 are likely to be owners and 287 will be renters. For the 211 owner-occupied households, there will need to be a vacancy rate of 1.5 percent, or 3 units, to support household growth and create a healthy vacancy market. For the 287 renter-occupied households, there will need to be a vacancy rate of 5 percent, or 15 units, to

support household growth and create a healthy vacancy market. These subtotals by tenure are then added together to determine City A's future vacancy need of, 18 units to create a healthy vacancy market.

The same process is applied to City B. Based on this methodology, City B's future vacancy need is 35 units.

City B: 1,324 Projected HH growth

Existing owner and renter

66.5% Owner-Occupied
=880 of total units

33.5% Renter-Occupied
= 444 of total units

880 units X 1.5% = 13 units

444 units X 5.0% = 22 units

13 units + 22 units = 35 units

Step 2c: Replacement Need

SCAG staff recommends that replacement need be calculated using a jurisdiction's share of the regional replacement need. Once SCAG receives its regional determination from HCD, SCAG will be able to apply these percentage shares to each jurisdiction. For illustrative purposes in this example, the replacement need for the region is 5,000 units. Based on their submitted surveys, City A has a net share of 0.48% of the regional replacement need while City B has indicated every demolished unit was replaced, resulting in a 0.0% share. This results in a replacement need of 24 units for City A and 0 units for City B.

		Table: Replacement Need 2006-2018 Column F		
Regional Replacement Need	x	Share of regional net replacement need	=	City A replacement need
5,000	x	0.48%	=	24

		Table: Replacement Need 2006-2018 Column F		
Regional Replacement Need	x	Share of regional net replacement need	=	City B replacement need
5,000	x	0.00%	=	0

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

Projected HH growth	+	Future vacancy need	+	Replacement need	=	City A projected housing need
498	+	18	+	24	=	540

Projected HH growth	+	Future vacancy need	+	Replacement need	=	City B projected housing need
1,324	+	35	+	0	=	1,359

The next step is to separate projected housing need into four income categories. To avoid perpetuating historical patterns of segregation in consideration of AFFH, SCAG staff recommends a 150 percent social equity adjustment to projected housing need.

Similar to step 1c, the existing household income distribution is compared to the county distribution and then modified. A 150 percent adjustment results in a noticeably higher difference in income categories for City and City B in comparison to their respective county distributions than a 110 percent adjustment.
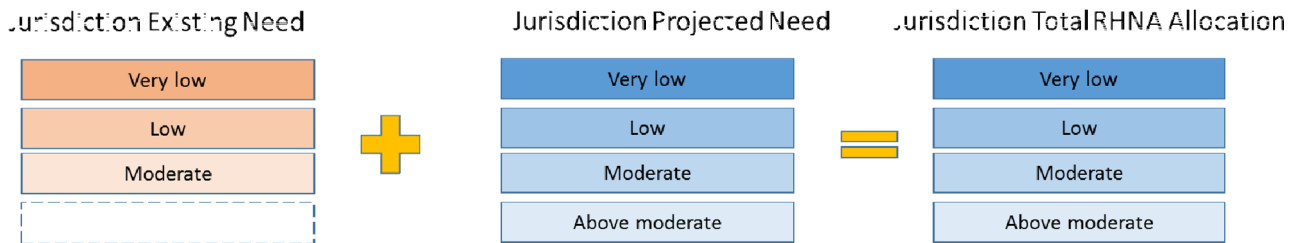
	Table: Social Equity Adjustments Column E/F/G/H	Table: Social Equity Adjustments Top Table	Table: Social Equity Adjustments Column M/N/O/P
Income category	City A existing household income distribution	County X existing housing distribution/ 100% adjustment	150% adjustment
Very low	30.1%	26.1%	24.1%
Low	23.2%	15.2%	11.2%
Moderate	17.6%	16.1 %	15.4%
Above moderate	29.1%	42.6%	49.3%

Income category	City Bexisting household income distribution	County Y existing housing distribution/ 100% adjustment	150% adjustment
Very low	15.8%	24.7%	29.1%
Low	12.2%	16.1%	18.0%
Moderate	16.8%	17.5%	17.8%
Above moderate	55.2%	41.8%	35.1%

The social equity-adjusted readjusted category percentages are applied to the total existing need to determine the units for each category.

Projected housing need	City A RHNA allocation (units)	City B RHNA allocation (units)
Very low	130	396
Low	61	245
Moderate	83	242
Above moderate	266	477
Total	540	1,359

Step 3: Total RHNA Allocation

The final step in is determining a jurisdiction's total RHNA allocation by income category. This is completed by combining the income categories as determined by step 1 and 2. Due to rounding, there are some differences among the integers.

City A	Very low	Low	Moderate	Above moderate	Total
Existing need	459	296	315	--	1,069
Projected need	130	60	83	266	540
Total RHNA	589	356	398	266	1,608

City B	Very low	Low	Moderate	Above moderate	Total
Existing need	318	178	198	--	694
Projected need	396	245	242	477	1,359

Total RHNA	713	423	440	477	2,053

Total RHNA Allocation (units)	Very low	Low	Moderate	Above moderate	Total
City A	589	356	398	266	1,608
City B	713	423	440	477	2,053

There is no guide for option 2

Step by Step Guide to Calculate a Jurisdiction's Draft RHNA Allocation Based on Option 3

Option 3 follows a similar process as calculating projected growth in Option 1, except that it uses share of projected population growth between 2020 and a selected horizon year instead of interpolated share of household growth between 2021 and 2029. The horizon year will be selected using the regional number of households that is closest to the regional determination of households provided by HCD. For example if HCD provides a regional determination of 800,000 units, the selected horizon year will be 2035 because the regional household growth between 2020 and 2035 is 838,130.

The addition of two other components of in Option 3, future vacancy need and replacement need, will result in a regional allocation that is more than the regional determination. If Option 3 is selected, SCAG will normalize the total RHNA allocation for each jurisdiction after the distribution mechanism is applied so that the total of every jurisdiction's draft RHNA allocation will equal the total regional determination provided by HCD.

Step 1a: Projected Household Growth Based on Population Share

Using local input submitted by City A and City B, the share of regional population growth for the jurisdictions is calculated and applied to the total regional housing determination. In this example, since the horizon year is 2035, the corresponding column is "M" from the "Local Population and Household Growth" appendix. If the horizon year is selected as 2030, column "I" will be used. If the horizon year is selected as 2045, column "P" will be used.

		Table: Local Population and Household Growth Column M		
Regional determination	x	Share of regional population growth (2020-Horizon Year)	=	City A household growth
800,000	x	0.14%	=	910

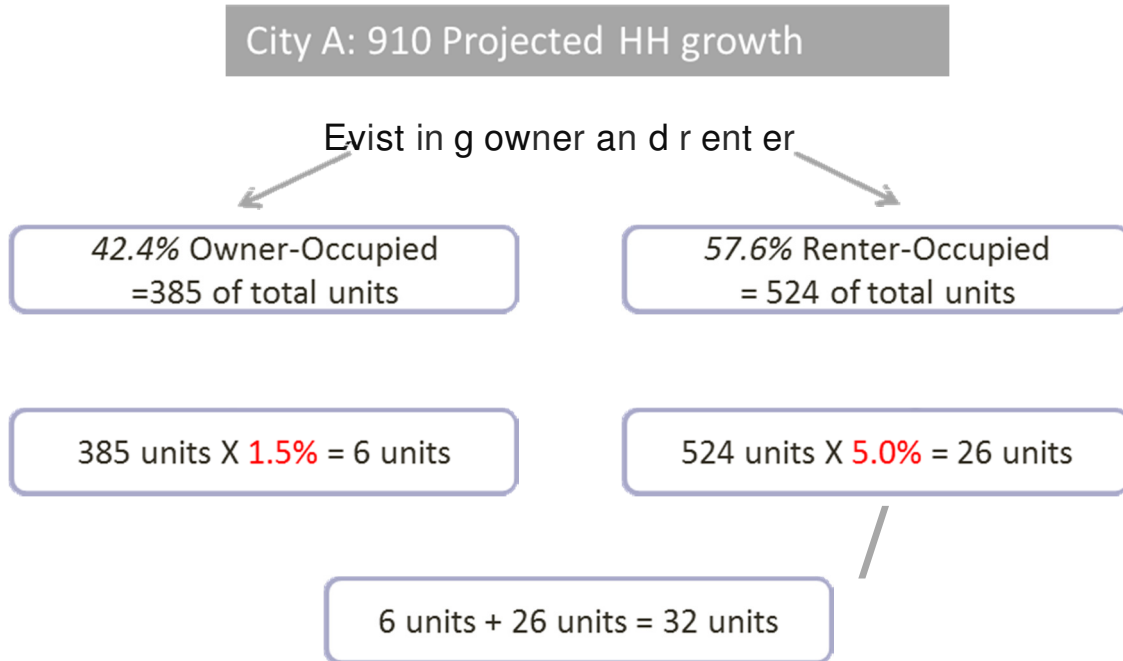|		Table: Local Population and Household Growth Column M		
Regional determination	x	Share of regional population growth (2020-Horizon Year)	=	City B household growth
800,000	x	0.76%	=	4,950

Step 1b: Future Vacancy Need

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 percentages shares 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 owner-occupied owners and those that are predicted to be renter-occupieds. This assumes the mix of new households will be the same mix and shares as the existing housing stock.

Next, two different vacancy rates are applied. SCAG staff recommends using the same percentages applied in the regional determination provided by HCD. For purposes of illustration, this example uses an owner-occupied units rate of 1.5 percent while using and a rate of 5 percent for renter-occupied units.
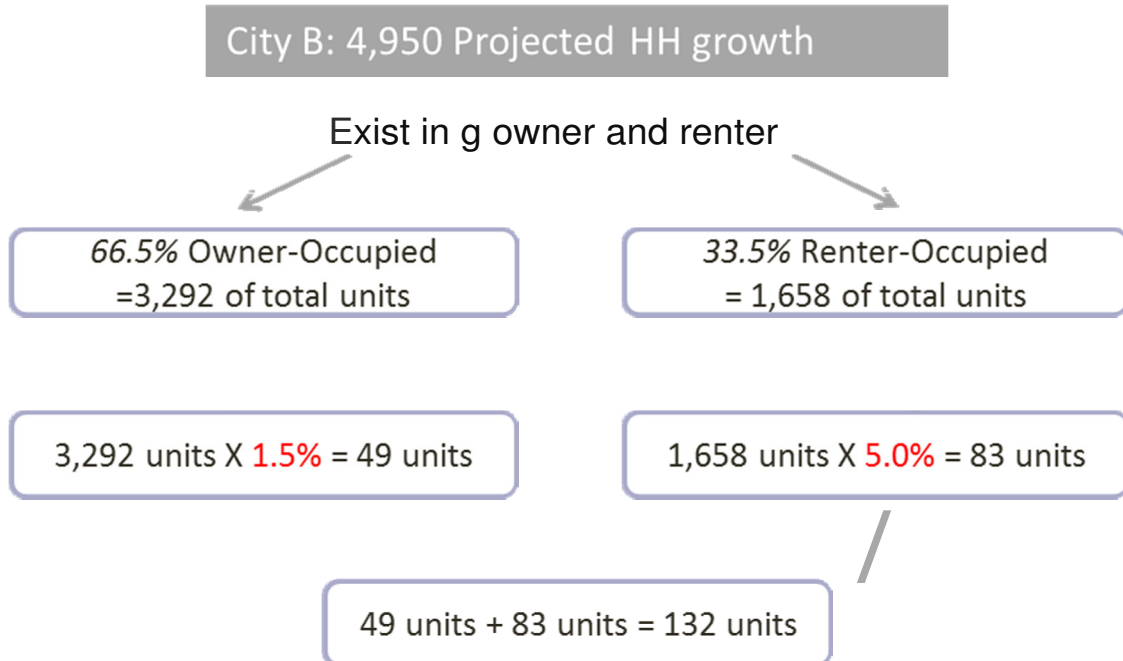
The following components to determine future vacancy need can be found in the Appendix using the following columns:

Component	Location
Percentage of owner-occupied units	Table: Vacant Units by Type & Tenure Column H
Percentage of renter-occupied units	Table: Vacant Units by Type & Tenure Column I

For City A, there are 57.6% are renter-occupied households and 42.4% are owner-occupied households. These percentages are applied to the household growth to indicate that calculate the of that projected growth, 385 are likely to be owners and 524 will be renters. For the 385 owner-occupied households, there will need to be a vacancy rate of 1.5 percent, or 6 units, to support household growth and create a healthy vacancy market. For the 524 renter-occupied households, there will need to be a vacancy rate of 5 percent, or 26 units, to support household growth and create a healthy vacancy market. These subtotals by tenure are then added together to determine City A's future vacancy need, of 32 units to create a healthy vacancy market.

City A: 910 Projected HH growth

Exist in g owner an d r ent er

42.4% Owner-Occupied	57.6% Renter-Occupied
=385 of total units	= 524 of total units

385 units X 1.5% = 6 units	524 units X 5.0% = 26 units

6 units + 26 units = 32 units

The same process is applied to City B. Based on this methodology, City B's future vacancy need is 132 units.

City B: 4,950 Projected HH growth

Exist in g owner and renter

66.5% Owner-Occupied	33.5% Renter-Occupied
=3,292 of total units	= 1,658 of total units

3,292 units X 1.5% = 49 units	1,658 units X 5.0% = 83 units

49 units + 83 units = 132 units

Step 1c: ReplacementNeed

SCAG staff recommends that replacement need be calculated using a jurisdiction's share of the regional replacement need. Once SCAG receives its regional determination from HCD, SCAG will be able to apply these percentage shares to each jurisdiction. For illustrative purposes in this example, the replacement need for the region is 5,000 units. Based on their submitted surveys, City A has a net share of 0.48% of the regional replacement need while City B has indicated every demolished unit was replaced, resulting in a 0.0% share. This results in a replacement need of 24 units for City A and 0 units for City B.

		Table: Replacement Need Column F		
Regional Replacement Need	x	Share of regional net replacement need	=	City A replacement need
5,000	x	0.48%	=	24

		Table: Replacement Need Column F		
Regional Replacement Need	x	Share of regional net replacement need	=	City B replacement need
5,000	x	0.00%	=	0

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

Projected HH growth	+	Future vacancy need	+	Replacement need	=	City A projected housing need
910	+	32	+	24	=	966

Projected HH growth	+	Future vacancy need	+	Replacement need	=	City B projected housing need
4,950	+	132	+	0	=	5,082

The next step is to separate projected the total housing need into four income categories. To avoid perpetuating historical patterns of segregation in consideration of AFFH, SCAG staff recommends a 150 percent social equity adjustment to projected the total housing need.

	Table: Social Equity Adjustments Column E/F/G/H	Table: Social Equity Adjustments Top Table	Table: Social Equity Adjustments Column M/N/O/P
Income category	City A existing household income distribution	County X existing housing distribution/ 100% adjustment	150% adjustment
Very low	30.1%	26.1%	24.1%
Low	23.2%	15.2%	11.2%
Moderate	17.6%	16.1 %	15.4%
Above moderate	29.1%	42.6%	49.3%

	City B existing household income distribution	County Y existing housing distribution/ 100% adjustment	150% adjustment
Income category			
Very low	15.8%	24.7%	29.1%
Low	12.2%	16.1%	18.0%
Moderate	16.8%	17.5%	17.8%
Above moderate	55.2%	41.8%	35.1%

The readjusted category percentages are applied to the total existing need to determine the units for each category.

Projected housing need	City A RHNA allocation (units)	City B RHNA allocation (units)
Very low	233	1,479
Low	108	916
Moderate	149	905
Above moderate	476	1,782
Total	966	5,082