MEMO

TO: Community, Economic and Human Development Committee (CEHD)

FROM: Jacob Lieb, Senior Regional Planner, (213) 236-1921, lieb@scag.ca.gov

SUBJECT: Regional Housing Needs Assessment (RHNA) State Budget and Legislative Update

DATE: February 12, 2004

SCAG staff updated the CEHD Committee on State budget and legislative developments affecting the conduct of the RHNA process at the February 5 meeting. This report serves to inform the committee on new and emerging issues during the month.

As a reminder, the Regional Housing Needs Assessment (RHNA) is a mandated activity for SCAG per CA Govt. Code Section 65584. SCAG is scheduled to perform the next update of the RHNA starting July 1, 2004, and concluding July 1, 2005. Local governments in the SCAG region are required to complete Housing Elements by July 1, 2006.

The governor's budget, released during January, contained a $1,000 allocation for RHNA reimbursements statewide. This represents a deferral of payments on claims until a future date, and is a continuation of the status quo from the prior budget year. During the last month, there have been no developments on the budget for RHNA.

In the mean time, the Statewide Housing Element Working Group, convened by HCD at the request of the Legislature continues to meet, and will have completed its deliberations by the end of February. At this point there is consensus on legislative proposals in a number of areas, including:

- The Regional Housing Needs Allocation process including
  - Clarification on sub-regional delegation
  - Clarification on allocation methodology and factors
- Clarification on how sites are identified in the local Housing Element, and on how local governments assure use of the those sites for development

Proposals in other areas have not achieved broad agreement to date, but may yet do so before the group dissolves. These areas include:

- Changes to HCD/ Council of Governments consultation on regional need
- Performance-based certification of Housing Elements
- Enforcement of Housing Element Compliance

At the time when a completed product from the working group, or from any other party, emerges as a legislative proposal, staff will seek a formal position from the CEHD Committee and Regional Council.