



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
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SPECIAL MEETING

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD

Remote Participation Only

Tuesday, February 16, 2021

1:00 p.m. – 3:00 p.m.

To Participate on Your Computer:

<https://scag.zoom.us/j/91702781766>

To Participate by Phone:

Call-in Number: 1-669-900-6833

Meeting ID: 917 0278 1766

***Please see next page for detailed
instructions on how to participate in the meeting.***

PUBLIC ADVISORY

Given recent public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor's recent Executive Order N-29-20, the meeting will be held telephonically and electronically.

If members of the public wish to review the attachments or have any questions on any of the agenda items related to RHNA, please send an email to housing@scag.ca.gov. Agendas and Minutes are also available at: www.scag.ca.gov/committees.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1959. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



Instructions for Public Comments

You may submit public comments in two (2) ways:

1. Submit written comments via email to: housing@scag.ca.gov by 5pm on Friday, February 12, 2021.

All written comments received after 5pm on Friday, February 12, 2021 will be announced and included as part of the official record of the meeting.

2. If participating via Zoom or phone, during the Public Comment Period, use the “raise hand” function on your computer or *9 by phone and wait for SCAG staff to announce your name/phone number. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments via email to: housing@scag.ca.gov.

In accordance with SCAG’s Regional Council Policy, Article VI, Section H and California Government Code Section 54957.9, if a SCAG meeting is “willfully interrupted” and the “orderly conduct of the meeting” becomes unfeasible, the presiding officer or the Chair of the legislative body may order the removal of the individuals who are disrupting the meeting.



Instructions for Participating in the Meeting

SCAG is providing multiple options to view or participate in the meeting:

To Participate and Provide Verbal Comments on Your Computer

1. Click the following link: <https://scag.zoom.us/j/91702781766>
2. If Zoom is not already installed on your computer, click “Download & Run Zoom” on the launch page and press “Run” when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically.
3. Select “Join Audio via Computer.”
4. The virtual conference room will open. If you receive a message reading, “Please wait for the host to start this meeting,” simply remain in the room until the meeting begins.
5. During the Public Comment Period, use the “raise hand” function located in the participants’ window and wait for SCAG staff to announce your name. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer.

To Listen and Provide Verbal Comments by Phone

1. Call **(669) 900-6833** to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully.
2. Enter the **Meeting ID: 917 0278 1766**, followed by #.
3. Indicate that you are a participant by pressing # to continue.
4. You will hear audio of the meeting in progress. Remain on the line if the meeting has not yet started.
5. During the Public Comment Period, press *9 to add yourself to the queue and wait for SCAG staff to announce your name/phone number. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer.



REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD PUBLIC HEARING SPECIAL MEETING AGENDA

RHNA APPEALS BOARD MEMBERS – RHNA 6TH CYCLE

VOTING MEMBERS

Representing Imperial County

Primary: Hon. Cheryl Viegas-Walker, El Centro
Alternate: Sup. Luis Plancarte, Imperial County

Representing Los Angeles County

Primary: **VICE CHAIR** Margaret Finlay, Duarte
Alternate: Hon. Rex Richardson, Long Beach

Representing Orange County

Primary: Hon. Wendy Bucknum, Mission Viejo
Alternate: **CHAIR** Peggy Huang, Yorba Linda, TCA

Representing Riverside County

Primary: Hon. Russell Betts, Desert Hot Springs
Alternate: Hon. Rey SJ Santos, Beaumont

Representing San Bernardino County

Primary: Hon. Deborah Robertson, Rialto
Alternate: Hon. Larry McCallon, Highland

Representing Ventura County

Primary: Hon. Carmen Ramirez, Ventura County
Alternate: Hon. Mike Judge, Simi Valley, VCTC



REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD SPECIAL MEETING AGENDA

Southern California Association of Governments
Remote Participation Only
Tuesday, February 16, 2021
1:00 PM – 3:00 PM

The RHNA Appeals Board can consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE *(The Honorable Peggy Huang, Chair)*

PUBLIC COMMENT PERIOD

Members of the public are encouraged to submit written comments by sending an email to: housing@scag.ca.gov by 5pm on Friday, February 12, 2021. Such comments will be transmitted to members of the legislative body and posted on SCAG's website prior to the meeting. Written comments received after 5pm on Friday, February 12, 2021 will be announced and included as part of the official record of the meeting. Members of the public wishing to verbally address the RHNA Appeals Board will be allowed up to 3 minutes to speak, with the presiding officer retaining discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting. The presiding officer has the discretion to reduce the time limit based upon the number of comments received and may limit the total time for all public comments to twenty (20) minutes.

Click [here](#) to access the list of written Public Comments received as of 2/9/2021, or see the attachment.

All comments submitted are posted online at <https://scag.ca.gov/rhna-comments>.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Items

1. Minutes of the RHNA Appeals Board Meeting - January 6, 2021
 2. Minutes of the RHNA Appeals Board Meeting - January 8, 2021
 3. Minutes of the RHNA Appeals Board Meeting - January 11, 2021
 4. Minutes of the RHNA Appeals Board Meeting - January 13, 2021
 5. Minutes of the RHNA Appeals Board Meeting - January 15, 2021
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6. Minutes of the RHNA Appeals Board Meeting - January 19, 2021
7. Minutes of the RHNA Appeals Board Meeting - January 22, 2021
8. Minutes of the RHNA Appeals Board Meeting - January 25, 2021

ACTION ITEM/S

9. Final Determination of Appeals Decision
(Ma'Ayn Johnson, Housing Program Manager)

RECOMMENDED ACTION:

Consider and ratify the written determinations for the appeals submitted by the jurisdictions related to the Draft RHNA Allocation Plan, which appeals were heard and decided, at the close of public hearings, by the RHNA Appeals Board on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021.

- 9.1 Written Determination Regarding Appeal from the City of Agoura Hills
 - 9.2 Written Determination Regarding Appeal from the City of Alhambra
 - 9.3 Written Determination Regarding Appeal from the City of Barstow
 - 9.4 Written Determination Regarding Appeal from the City of Bellflower
 - 9.5 Written Determination Regarding Appeal from the City of Beverly Hills
 - 9.6 Written Determination Regarding Appeal from the City of Cerritos
 - 9.7 Written Determination Regarding Appeal from the City of Chino Hills
 - 9.8 Written Determination Regarding Appeal from the City of Chino
 - 9.9 Written Determination Regarding Appeal from the City of Costa Mesa
 - 9.10 Written Determination Regarding Appeal from the City of Downey
 - 9.11 Written Determination Regarding Appeal from the City of El Monte
 - 9.12 Written Determination Regarding Appeal from the City of Fontana
 - 9.13 Written Determination Regarding Appeal from the City of Fountain Valley
 - 9.14 Written Determination Regarding Appeal from the City of Fullerton
 - 9.15 Written Determination Regarding Appeal from the City of Garden Grove
 - 9.16 Written Determination Regarding Appeal from the City of Gardena
 - 9.17 Written Determination Regarding Appeal from the City of Hemet
 - 9.18 Written Determination Regarding Appeal from the City of Huntington Beach
 - 9.19 Written Determination Regarding Appeal from the City of Huntington Park
 - 9.20 Written Determination Regarding Appeal from the City of Irvine
 - 9.21 Written Determination Regarding Appeal from the City of La Mirada
 - 9.22 Written Determination Regarding Appeal from the City of La Palma
 - 9.23 Written Determination Regarding Appeal from the City of Laguna Beach
 - 9.24 Written Determination Regarding Appeal from the City of Laguna Hills
 - 9.25 Written Determination Regarding Appeal from the City of Lakewood
 - 9.26 Written Determination Regarding Appeal from the City of Lawndale
 - 9.27 Written Determination Regarding Appeal from the City of Los Alamitos
 - 9.28 Written Determination Regarding Appeal from the City of Mission Viejo
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- 9.29 Written Determination Regarding Appeal from the City of Newport Beach
- 9.30 Written Determination Regarding Appeal from the City of Pasadena
- 9.31 Written Determination Regarding Appeal from the City of Pico Rivera
- 9.32 Written Determination Regarding Appeal from the City of Rancho Palos Verdes
- 9.33 Written Determination Regarding Appeal from the City of Rancho Santa Margarita
- 9.34 Written Determination Regarding Appeal from the City of Redondo Beach
- 9.35 Written Determination Regarding Appeal from the City of San Dimas
- 9.36 Written Determination Regarding Appeal from the City of San Fernando
- 9.37 Written Determination Regarding Appeal from the City of San Gabriel
- 9.38 Written Determination Regarding Appeal from the City of Santa Ana
- 9.39 Written Determination Regarding Appeal from the City of South Gate
- 9.40 Written Determination Regarding Appeal from the City of South Pasadena
- 9.41 Written Determination Regarding Appeal from the City of Temple City
- 9.42 Written Determination Regarding Appeal from the City of Torrance
- 9.43 Written Determination Regarding Appeal from the City of Tustin
- 9.44 Written Determination Regarding Appeal from the City of Westminster
- 9.45 Written Determination Regarding Appeal from the City of Yorba Linda
- 9.46 Written Determination Regarding Appeal from the County of Orange (Unincorporated)
- 9.47 Written Determination Regarding Appeal from County of Riverside (Unincorporated)

10. Proposed Final 6th Cycle RHNA Allocation Plan
(Ma'Ayn Johnson, Housing Program Manager)

RECOMMENDED ACTION:

Review and recommend that the Community, Economic and Human Development (CEHD) Committee recommend that the Regional Council adopt the Final RHNA Allocation Plan as part of a public hearing to take place on March 4, 2021.

11. Report on RHNA Process and Consideration of Resolution
(Kome Ajise, Executive Director)

RECOMMENDED ACTION:

Review and recommend to the Community, Economic and Human Development (CEHD) Committee for further recommendation of adoption by the Regional Council a resolution to direct SCAG to:

1. Continue supporting local jurisdictions with their Housing Element development through Regional Early Action Planning (REAP) grant programs;
 2. Engage with the California Department of Housing and Community Development (HCD) to ensure clear understanding of challenges faced by local jurisdictions and that all development opportunities are fully considered;
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3. Encourage HCD to pursue activities as part of a reform committee established under Assembly Bill (AB) 101 including and holding hearings in the SCAG region and inviting participation and input from stakeholders, particularly local jurisdictions which filed appeals; and
4. Work with the State Legislature to pursue legislative changes to State housing law to allow for more flexibility for housing element development and implementation.

CHAIR'S RERORT

(The Honorable Peggy Huang, Chair)

STAFF REPORT

(Ma'Ayn Johnson, Housing Program Manager)

ANNOUNCEMENTS

ADJOURNMENT

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
10/11/2018	City of Beverly Hills	Hon. John Mirisch	Subcommittee membership
12/2/2018	City of Mission Viejo	Gail Shiomoto-Lohr	Subcommittee charter, subregional delegation, growth forecast
1/17/2019	City of Beverly Hills	Hon. John Mirisch	Urban sprawl
2/4/2019	City of Beverly Hills	Hon. John Mirisch	Role of housing supply, single family homes, subcommittee membership
3/11/2019	City of Beverly Hills	Hon. John Mirisch	Subcommittee membership, upzoning, single family homes
3/30/2019	City of Beverly Hills	Hon. John Mirisch	Upzoning, urbanism, density
5/2/2019	Central Cities Association of Los Angeles	Jessica Lall	Regional Determination
5/6/2019	City of Irvine	Marika Poynter	Regional determination, existing need distribution, social equity adjustment
5/20/2019	City of Redondo Beach	Sean Scully	Existing housing need and zoning
5/23/2019	UCLA Luskin School of Public Affairs	Paavo Monkkonen	Zoning, housing prices, and regulation
5/28/2019	Orange County Council of Governments (OCCOG)	Hon. Stacy Berry	Regional determination consultation package
5/29/2019	City of Anaheim	Chris Zapata	Regional determination consultation package
5/31/2019	City of Yorba Linda	David Brantley	Regional determination consultation package
6/1/2019	City of Mission Viejo		Regional determination consultation package; distribution methodology
6/3/2019	City of Newport Beach	Seimone Jurjis	Regional determination consultation package
6/3/2019	UCLA	Paavo Monkkonen	Regional determination consultation package
6/4/2019	City of Tustin	Elizabeth Binsack	Regional determination consultation package
6/4/2019		Henry Fung	Public outreach and engagement; regional determination consultation package
6/5/2019		Hunter Owens	Regional determination consultation package
6/5/2019	City of Santa Ana	Kristine Ridge	Regional determination consultation package
6/5/2019	City of Newport Beach	Seimone Jurjis	Regional determination consultation package
6/5/2019	City of Calabasas	Mayor David Shapiro	RHNA methodology
6/5/2019		Vyki Englert	Regional determination consultation package
6/5/2019		Juan Lopez	Regional determination consultation package
6/5/2019		Louis Mirante	Regional determination consultation package
6/5/2019		Carter Rubin	Regional determination consultation package
6/6/2019		Hon. Meghan Sahli-Wells, City of Culver City	Regional determination consultation package
6/5/2019		Andy Freeland	Regional determination consultation package
6/5/2019		Eve Bachrach	Regional determination consultation package
6/6/2019		Emily Groendyke	Regional determination consultation package
6/6/2019		Timothy Hayes	Regional determination consultation package
6/6/2019		Carter Moon	Regional determination consultation package
6/6/2019		Jesse Lerner-Kinglake	Regional determination consultation package
6/6/2019		Alex Fisch	Regional determination consultation package
6/6/2019		Jed Lowenthal	Regional determination consultation package
6/6/2019	City of Moorpark	Karen Vaughn	Proposed RHNA Methodology
6/6/2019	City of La Habra	Jim Gomez	Regional determination package
6/6/2019	County of Orange	Supervisor Donald Wagner	Regional determination package
6/18/2019		Thomas Glaz	Proposed RHNA methodology
6/18/2019		Brendan Regulinski	Proposed RHNA methodology
6/18/2019		Chris Palencia	Proposed RHNA methodology
6/19/2019		Henry Fung	Action on regional determination; proposed RHNA methodology; public hearing and outreach process
6/21/2019		Glenn Egelko	Subcommittee member remarks
6/22/2019		Donna Smith	Proposed RHNA methodology
6/24/2019		Fred Zimmerman	Regional determination package
6/24/2019		Antoine Wakim	Regional determination package
6/24/2019		Darrell Clarke	Regional determination package

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
6/24/2019		Marcos Rodriguez Maciel	Regional determination package
6/24/2019		Taylor Hallam	Regional determination package
6/24/2019		Phil Lord	Regional determination package
6/24/2019		Edwin Woll	Regional determination package
6/24/2019		Steven Guerry	Regional determination package
6/24/2019		Prabhu Reddy	Regional determination package
6/24/2019		Judd Schoenholtz	Regional determination package
6/24/2019		Bret Contreras	Regional determination package
6/24/2019		Mark Montiel	Regional determination package
6/24/2019		Hardy Wronske	Regional determination package
6/24/2019		William Wright	Regional determination package
6/24/2019		Nicholas Burns III	Regional determination package
6/24/2019		Brendan Regulinski	Regional determination package
6/24/2019		Gabe Rose	Regional determination package
6/24/2019		Sean McKenna	Regional determination package
6/24/2019		Lolita Nurmamade	Regional determination package
6/24/2019		Paul Moorman	Regional determination package
6/24/2019		Ryan Welch	Regional determination package
6/24/2019		Gerald Lam	Regional determination package
6/24/2019		Carol Gordon	Regional determination package
6/24/2019		Anthony Dedousis	Regional determination package
6/24/2019		Christopher Cooper	Regional determination package
6/24/2019		Colin Frederick	Regional determination package
6/24/2019		Joe Goldman	Regional determination package
6/24/2019		David Douglass-Jaimes	Regional determination package
6/24/2019		Liz Barillas	Regional determination package
6/24/2019		Andy Freeland	Regional determination package
6/24/2019		Grayson Peters	Regional determination package
6/24/2019		Andrew Oliver	Regional determination package
6/24/2019		Kyle Jenkins	Regional determination package
6/24/2019		Matthew Ruscigno	Regional determination package
6/24/2019		Amar Billoo	Regional determination package
6/24/2019		Joshua Blumenkopf	Regional determination package
6/24/2019		Leonora Camner	Regional determination package
6/24/2019		Ryan Tanaka	Regional determination package
6/24/2019		Partho Kalyani	Regional determination package
6/24/2019		Victoria Englert	Regional determination package
6/24/2019		Josh Albrektson	Regional determination package
6/24/2019		Matt Stauffer	Regional determination package
6/24/2019		Brooks Dunn	Regional determination package
6/24/2019		Nancy Barba	Regional determination package
6/24/2019		Sandra Madera	Regional determination package
6/25/2019		Gregory Dina	Regional determination package
6/25/2019		Brent Gaisford	Regional determination package
6/25/2019		Andrew Kerr	Regional determination package
6/25/2019		Hunter Owens	Regional determination package
6/25/2019		Alexander Murray	Regional determination package
6/25/2019		Eric Hayes	Regional determination package
6/25/2019		Brent Stoll	Regional determination package
6/25/2019		Matthew Dixon	Regional determination package

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
6/25/2019		Mark Yetter	Regional determination package
6/25/2019		Chase Engelhardt	Regional determination package
6/25/2019		Hugh Martinez	Regional determination package
6/25/2019		Christopher Palencia	Regional determination package
6/25/2019		Nathan Pope	Regional determination package
6/25/2019		Lauren Borchard	Regional determination package
6/25/2019		Shane Philips	Regional determination package
6/25/2019		Alexander Naylor	Regional determination package
6/25/2019		Andy May	Regional determination package
6/25/2019		Jon Dearing	Regional determination package
6/25/2019		David Barboza	Regional determination package
6/26/2019		Sofia Tablada	Regional determination package
6/26/2019		Amanda Wilson	Regional determination package
6/26/2019		Mike Bettinardi	Regional determination package
6/26/2019		Emily Skehan	Regional determination package
6/26/2019	City of Long Beach	Patrick West	Proposed RHNA methodology
6/27/2019		Jesse Silva	Regional determination package
6/27/2019		Ryan Rubin	Regional determination package
6/27/2019	City of Garden Grove	Mayor Steve Jones	Regional determination package; proposed RHNA methodology
6/27/2019	County of Los Angeles	Amy Bodek	Proposed RHNA methodology
6/28/2019		Maggie Rattay	Regional determination package
6/28/2019		Brittney Hojo	Regional determination package
6/28/2019		Thomas Irwin	Regional determination package
6/28/2019		Steph Pavon	Regional determination package
7/3/2019		Tyler Lindberg	Regional determination package
7/3/2019		Ji Son	Regional determination package
7/3/2019		David Kitani	Regional determination package
7/3/2019		Chase Andre	Regional determination package
7/3/2019		Taily Pulido	Regional determination package
7/5/2019		Stephanie Palencia	Regional determination package
7/6/2019		Charlie Stigler	Regional determination package
7/8/2019		Chris Rattay	Regional determination package
7/9/2019		Holly Osborne	Proposed RHNA Methodology
7/9/2019	City of Ojai	James Vega	Proposed RHNA Methodology
7/10/2019	City of South Gate	Joe Perez	Proposed RHNA Methodology
7/11/2019	City of Malibu	Reva Feldman	Proposed RHNA Methodology
7/16/2019	City of Los Angeles, 15 th District	Aksel Palacios	Affordable Housing Solutions
7/17/2019	City of Culver City	Mayor Meghan Sahli-Wells	Regional Determination
7/18/2019	League of Women Voters of Los Angeles	Sandra Trutt	Zoning and Homelessness
7/18/2019	County of Riverside	Juan Perez	Proposed RHNA allocation
7/19/2019	League of Women Voters of Los Angeles County	Marge Nichols	Regional Determination
7/20/2019		Therese Mufic Neustaedter	Regional Determination
7/23/2019	County of Ventura – Board of Supervisors	Supervisor Steve Bennett	Proposed RHNA Methodology
7/25/2019		Jose Palencia	Regional Determination
7/27/2019		Henry Fung	Proposed RHNA Methodology
7/29/2019		Paavo Monkkonen	Proposed RHNA Methodology
7/29/2019		Paavo Monkkonen	Proposed RHNA Methodology
7/29/2019	Endangered Habitats League	Dan Silver	Proposed RHNA methodology
7/31/2019	League of Women Voters Los Angeles County	Marge Nichols	Regional Determination; Proposed RHNA Methodology
7/31/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
7/31/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology
7/31/2019		Assm. Richard Bloom	Proposed RHNA Methodology
8/1/2019	League of Women Voters Santa Monica	Natalya Zernitskaya	Proposed RHNA Methodology
8/1/2019	City of Malibu	Bonnie Blue	Proposed RHNA Methodology; SB 182
8/1/2019	People for Housing OC	Elizabeth Hansburg	Regional Determination
8/1/2019	City of Big Bear Lake	Jeff Matthieu	Proposed RHNA Methodology
8/2/2019		Donna Smith	?
8/4/2019		Gary Drucker	Proposed RHNA Methodology
8/5/2019		Valerie Fontaine	Proposed RHNA Methodology
8/5/2019		Jay Ross	Proposed RHNA Methodology
8/7/2019		Miriam Cantor	Proposed RHNA Methodology
8/8/2019		Jonathan Baty	Population growth
8/12/2019		City of Yucaipa	Proposed RHNA methodology
8/12/2019		Paul Lundquist	?
8/12/2019		Leonora Camner	Proposed RHNA Methodology
8/12/2019		Ryan Tanaka	Proposed RHNA Methodology
8/12/2019		Jesse Silva	Proposed RHNA Methodology
8/12/2019		Joshua Gray-Emmer	Proposed RHNA Methodology
8/12/2019		Chase Engelhardt	Proposed RHNA Methodology
8/12/2019		Drew Heckathorn	Proposed RHNA Methodology
8/12/2019		Liz Barillas	Proposed RHNA Methodology
8/12/2019		Jonah Bliss	Proposed RHNA Methodology
8/12/2019		Angus Beverly	Proposed RHNA Methodology
8/12/2019		Gregory Dina	Proposed RHNA Methodology
8/12/2019		Eduardo Mendoza	Proposed RHNA Methodology
8/12/2019		Carol Gordon	Proposed RHNA Methodology
8/12/2019		Joanne Leavitt	Proposed RHNA Methodology
8/12/2019		Mark Yetter	Proposed RHNA Methodology
8/12/2019		Meredith Jung	Proposed RHNA Methodology
8/12/2019		Nicholas Burns III	Proposed RHNA Methodology
8/12/2019		Judd Scoenholtz	Proposed RHNA Methodology
8/12/2019		Lee Benson	Proposed RHNA Methodology
8/12/2019		Kate Poisson	Proposed RHNA Methodology
8/12/2019		Joshua Blumenkopf	Proposed RHNA Methodology
8/12/2019		Anthony Dedousis	Proposed RHNA Methodology
8/12/2019		Christopher Tausanovitch	Proposed RHNA Methodology
8/12/2019		Emerson Dameron	Proposed RHNA Methodology
8/12/2019		Grayson Peters	Proposed RHNA Methodology
8/12/2019		Tami Kagan-Abrams	Proposed RHNA Methodology
8/12/2019		Lauren Borchard	Proposed RHNA Methodology
8/12/2019		Alec Mitchell	Proposed RHNA Methodology
8/12/2019		Andy Freeland	Proposed RHNA Methodology
8/12/2019		Michelle Castelletto	Proposed RHNA Methodology
8/12/2019		Brent Gaisford	Proposed RHNA Methodology
8/12/2019		Rebecca Muli	Proposed RHNA Methodology
8/12/2019		Ryan Welch	Proposed RHNA Methodology
8/12/2019		Prabhu Reddy	Proposed RHNA Methodology
8/12/2019		Matthew Dixon	Proposed RHNA Methodology
8/12/2019		Richard Hofmeister	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
8/12/2019		David Barboza	Proposed RHNA Methodology
8/12/2019		Michael Drowsky	Proposed RHNA Methodology
8/12/2019		Allison Wong	Proposed RHNA Methodology
8/13/2019		Justin Jones	Proposed RHNA Methodology
8/13/2019		Yurhe Lim	Proposed RHNA Methodology
8/13/2019		Ryan Koyanagi	Proposed RHNA Methodology
8/13/2019		William Wright	Proposed RHNA Methodology
8/13/2019		Norma Guzman	Proposed RHNA Methodology
8/13/2019		Mary Vaiden	Proposed RHNA Methodology
8/13/2019		Andy May	Proposed RHNA Methodology
8/13/2019		Gerald Lam	Proposed RHNA Methodology
8/13/2019		Kelly Koldus	Proposed RHNA Methodology
8/13/2019		Thomas Irwin	Proposed RHNA Methodology
8/14/2019		Susan Decker	Proposed RHNA Methodology
8/14/2019		Michael Busse	Proposed RHNA Methodology
8/14/2019		Rosa Flores	Proposed RHNA Methodology
8/14/2019		Pedro Juarez	Proposed RHNA Methodology
8/14/2019		Zennon Ulyate-Crow	Proposed RHNA Methodology
8/16/2019		Ron Javorsky	
8/16/2019	County of Riverside	Robert Flores	RHNA Public Outreach
8/17/2019		Marianne Buchanan	
8/17/2019		Carolyn Byrnes	Other
8/17/2019		Sharon Willkins	
8/17/2019		Natalya Zernitskaya	Proposed RHNA Methodology
8/19/2019		Kawauna Reed	
8/19/2019		Hon. Manuel Chavez (Costa Mesa Councilmember, District 4)	Proposed RHNA Methodology
		Cassius Rutherford (Parks Commissioner, Costa Mesa)	
		Chris Gaarder (Planning Commission Chair, Fullerton)	
		Brandon Whalen-Castellanos (Transportation Commission Chair, Fullerton)	
		Luis Aleman (Parks Commission, Santa Ana)	
8/19/2019		Theopilis Hester	Proposed RHNA Methodology
8/20/2019	City of Santa Monica	Rick Cole	Proposed RHNA Methodology
8/20/2019	City of Rancho Palos Verdes	Octavio Silva	Proposed RHNA Methodology
8/20/2019	City of Yorba Linda	Mayor Tara Campbell	Proposed RHNA Methodology
8/22/2019	City of Redondo Beach	Mayor William Brand	Proposed RHNA Methodology
8/22/2019	Orange County Council of Governments (OCCOG)	Marnie O. Primmer	Proposed RHNA Methodology
8/23/2019		Bruce Szekes	Public Outreach
8/23/2019	Center for Demographic Research		Proposed RHNA Methodology
8/23/2019		Laura Smith	Housing Distribution
8/23/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology
8/24/2019		Sharon Commins	Proposed RHNA Methodology
8/26/2019	City of El Segundo		Proposed RHNA Methodology
8/26/2019		Sean McKenna	Proposed RHNA Methodology
8/26/2019		Mark Chenevey	Proposed RHNA Methodology
8/26/2019		Derek Ryder	Proposed RHNA Methodology
8/26/2019	City of Long Beach	Patrick West	Proposed RHNA Methodology
8/27/2019	City of Mission Viejo	Elaine Lister	Proposed RHNA Methodology data correction
8/27/2019		Shawn Danino	Proposed RHNA Methodology
8/27/2019		Jeffery Alvarez	Proposed RHNA Methodology

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Date of Letter	Organization	Name	Topic(s)
8/27/2019		Claudia Vu	Proposed RHNA Methodology
8/27/2019		Laila Delgado	Proposed RHNA Methodology
8/27/2019		Madeline Swim	Proposed RHNA Methodology
8/27/2019		Nicholas Paganini	Proposed RHNA Methodology
8/27/2019		David Aldama	Proposed RHNA Methodology
8/27/2019		Hannah Winnie	Proposed RHNA Methodology
8/27/2019		Akif Khan	Proposed RHNA Methodology
8/27/2019		Gianna Lum	Proposed RHNA Methodology
8/27/2019		Bradley Ewing	Proposed RHNA Methodology
8/27/2019		Anne Martin	Proposed RHNA Methodology
8/27/2019		Mysten Walker	Proposed RHNA Methodology
8/27/2019		Verity Freebern	Proposed RHNA Methodology
8/27/2019		Ryan Oillataguerre	Proposed RHNA Methodology
8/27/2019		Emma Desopo	Proposed RHNA Methodology
8/27/2019		Elyssa Medina	Proposed RHNA Methodology
8/27/2019		Judith Trujillo	Proposed RHNA Methodology
8/27/2019		Kenia Agaton	Proposed RHNA Methodology
8/27/2019	OC Business Council	Alicia Berhow	Proposed RHNA Methodology
8/27/2019	Palms Neighborhood Council	Eryn Block	Proposed RHNA Methodology
8/27/2019	County of Riverside	Juan Perez	Proposed RHNA Methodology
8/28/2019		Sophia Parmisano	Proposed RHNA Methodology
8/28/2019		Anthony Castelletto	Proposed RHNA Methodology
8/28/2019		Minh Le	Proposed RHNA Methodology
8/28/2019		Carol Luong	Proposed RHNA Methodology
8/28/2019		Chitra Patel	Proposed RHNA Methodology
8/28/2019		Misha Ponnuraju	Proposed RHNA Methodology
8/27/2019		Griffin McDaniel	Proposed RHNA Methodology
8/28/2019		Lauren Walker	Proposed RHNA Methodology
8/28/2019		Robert Flores	Proposed RHNA Methodology
8/28/2019		Hailey Maxwell	Proposed RHNA Methodology
8/28/2019		Carey Kayser	Proposed RHNA Methodology
8/28/2019		Annie Bickerton	Proposed RHNA Methodology
8/29/2019	City of Fullerton	Matt Foulkes	Proposed RHNA Methodology
8/29/2019	City of Norco	Steve King	Proposed RHNA Methodology
8/29/2019	City of Signal Hill	Mayor Lori Wood	Proposed RHNA Methodology
8/29/2019	SCANPH	Francisco Martinez	Proposed RHNA Methodology
8/29/2019		Ross Heckmann	Proposed RHNA Methodology
8/30/2019		Dottie Alexanian	Proposed RHNA Methodology
8/30/2019		Judith Deutsch	Proposed RHNA Methodology
8/30/2019	City of Tustin	Elizabeth Binsack	Proposed RHNA Methodology
8/30/2019	City of Menifee	Cheryl Kitzerow	Proposed RHNA Methodology
8/31/2019		Paavo Monkkonen	Proposed RHNA Methodology
8/31/2019		Paavo Monkkonen and 27 professors	Proposed RHNA Methodology
8/31/2019		Ryan Kelly	Proposed RHNA Methodology
8/31/2019		Hydee Feldstein	Proposed RHNA Methodology
8/31/2019		Alex Ivina	Proposed RHNA Methodology
8/31/2019		Steve Rogers	Proposed RHNA Methodology
8/31/2019		Phil Davis	Proposed RHNA Methodology
8/31/2019		Kathy Hersh	Proposed RHNA Methodology
9/1/2019		Jane Demian	Proposed RHNA Methodology

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Date of Letter	Organization	Name	Topic(s)
9/1/2019		Diana Stiller	Proposed RHNA Methodology
9/1/2019		Paula Bourges	Proposed RHNA Methodology
9/1/2019		Raymond Goldstone	Proposed RHNA Methodology
9/1/2019		Christopher Palencia	Proposed RHNA Methodology
9/2/2019		Doris Roach	Proposed RHNA Methodology
9/3/2019		Judy Saunders	Proposed RHNA Methodology
9/3/2019		Susan Ashbrook	Proposed RHNA Methodology
9/3/2019		Marcelo & Irene Olavarria	Proposed RHNA Methodology
9/3/2019		Margret Healy	Proposed RHNA Methodology
9/3/2019		Genie Saffren	Proposed RHNA Methodology
9/3/2019	City of Rancho Santa Margarita	Cheryl Kuta	Proposed RHNA Methodology
9/3/2019	City of Corona	Joanne Coletta	Proposed RHNA Methodology
9/3/2019	City of Desert Hot Springs	Rebecca Deming	Proposed RHNA Methodology
9/3/2019		Karen Boyarsky	Regional Determination
9/3/2019		Nancee L.	Proposed RHNA Methodology
9/3/2019		Tracy St. Claire	Regional Determination
9/4/2019		Shelly Carlo	Housing Distribution
9/4/2019		Bill Zimmerman	Proposed RHNA Methodology
9/4/2019		Mark Vallianatos	Proposed RHNA Methodology
9/4/2019		Marilyn Frost	Housing Distribution
9/4/2019		Matthew Stevens	Proposed RHNA Methodology
9/4/2019		Georgianne Cowan	Regional Determination
9/4/2019		Lisa Schecter	Regional Determination
9/4/2019		Carol Watkins	Regional Determination
9/4/2019		Mark Robbins	Regional Determination
9/4/2019		Susan Horn	Regional Determination
9/4/2019		Barbara Broide	Regional Determination
9/4/2019		Joseph Sherwood	Regional Determination
9/4/2019		Linda Sherwood	Regional Determination
9/4/2019		Darren Swimmer	Regional Determination
9/4/2019		Lee Zeldin	Regional Determination
9/4/2019		Nancy Rae Stone	Regional Determination
9/4/2019		Rachael Gordon	Regional Determination
9/4/2019		Martha Singer	Regional Determination
9/4/2019		Laurie Balustein	Regional Determination
9/4/2019		Henry Fung	Regional Determination
9/4/2019		Brad Pennington	Regional Determination
9/4/2019		Mike Javadi	Regional Determination
9/4/2019		Lauren Thomas	Regional Determination
9/4/2019		Keith Solomon	Regional Determination
9/4/2019		Linda Blank	Regional Determination
9/4/2019		Valerie Brucker	Regional Determination
9/4/2019		Craig Rich	Regional Determination
9/4/2019		Wansun Song	Regional Determination
9/4/2019		Robert Seligman	Regional Determination
9/4/2019	City of Newport Beach	Seimone Jurjis	Regional Determination
9/4/2019	City of Calabasas	Mayor David Shapiro	Regional Determination
9/4/2019		Paul Soroudi	Regional Determination
9/4/2019		Terrence Gomes	Regional Determination
9/4/2019		Kimberly Fox	Regional Determination

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Date of Letter	Organization	Name	Topic(s)
9/4/2019		Mra Tun	Regional Determination
9/4/2019		Laura Levine Lacter	Regional Determination
9/4/2019		Stephen Resnick	Regional Determination
9/4/2019		Kimberly Christensen	Regional Determination
9/4/2019		Rita Villa	Regional Determination
9/4/2019	City of San Clemente	James Makshanoff	Proposed RHNA Methodology
9/4/2019	City of Beaumont	Julio Martinez	Proposed RHNA Methodology
9/4/2019	City of Hawthorne	Arnold Shadbeh	Proposed RHNA Methodology
9/5/2019	City of Murrieta	Mayor Kelly Seyarto	Proposed RHNA Methodology
9/5/2019	City of Canyon Lake	Jim Morrissey	Proposed RHNA Methodology
9/5/2019		Hunter Owens	Proposed RHNA Methodology
9/5/2019		Stephen Twining	Regional Determination
9/5/2019		Paul Callinan	Regional Determination
9/5/2019		C. McAlpin	Regional Determination
9/5/2019		Isabel Janken	Regional Determination
9/5/2019		Ann Hayman	Regional Determination
9/5/2019		Meg Sullivan	Housing Production
9/5/2019	City of Moreno Valley	Patty Nevins	Proposed RHNA Methodology
9/5/2019		Massy Mortazavi	Regional Determination
9/5/2019		Fred Golan	Regional Determination
9/5/2019		Debbie & Howard Nussbaum	Regional Determination
9/5/2019		Devony Hastings	Regional Determination
9/5/2019	League of Women Voters of Los Angeles County	Marge Nichols	RHNA Methodology
9/5/2019		Larry Blugrind	Housing Distribution
9/5/2019		Terry Tegnazian	Regional Determination
9/5/2019	Gateway Cities Council of Governments (GCCOG)	M. Diane DuBois	RHNA Methodology
9/5/2019		Denson Fujikawa	Other
9/5/2019		Tracy Fitzgerald	Regional Determination
9/5/2019	City of Pomona	Anita Gutierrez	Proposed RHNA Methodology
9/5/2019		Minhlinh Nguyen	Regional Determination
9/5/2019		Anita Gutierrez	Proposed RHNA Methodology
9/5/2019	City of Fountain Valley	Steve Nagel	Proposed RHNA Methodology
9/5/2019	City of Camarillo	Kevin Kildee	Proposed RHNA Methodology
9/5/2019		Denson Fujikawa	Other
9/6/2019	City of Sierra Madre	Gabriel Engeland	Proposed RHNA Methodology
9/6/2019	City of Laguna Hills	Donald White	Proposed RHNA Methodology
9/6/2019		David Oliver	Regional Determination
9/6/2019	City of Chino Hills	Joann Lombardo	Proposed RHNA Methodology
9/7/2019		David Ting	Regional Determination
9/9/2019	City of Azusa	Sergio Gonzalez	Proposed RHNA Methodology
9/9/2019	City of Alhambra	Jessica Binnquist	Proposed RHNA Methodology
9/9/2019	Los Angeles Chamber of Commerce	Maria Salinas	RHNA Methodology
9/9/2019	City of Ranchos Palos Verdes	Octavio Silva	Proposed RHNA Methodology
9/9/2019		Kathy Whooley	Regional Determination
	San Gabriel Valley Council of Governments		
9/9/2019	(SGVCOG)	Cynthia Sternquist	Proposed RHNA Methodology
9/9/2019		Matthew Hinsley	Regional Determination
9/9/2019	City of Agoura Hills	Greg Ramirez	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Laura Emdee	Regional Determination
9/10/2019		Jessica Sandoval	Proposed RHNA Methodology

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Date of Letter	Organization	Name	Topic(s)
9/10/2019	City of Redondo Beach	Bill Brand	Proposed RHNA Methodology
9/10/2019		Yesenia Medina	Regional Determination
9/10/2019		Jeannette Mazul	Regional Determination
9/10/2019		Jocelyne Irineo	Proposed RHNA Methodology
9/10/2019		Cristina Resendez	Proposed RHNA Methodology
9/10/2019		Carla Bucio	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Bill Brand	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Laura Emdee	Proposed RHNA Methodology
9/10/2019	City of Garden Grove	Steve Jones	Proposed RHNA Methodology
9/10/2019		Henry Fung	Overall RHNA Process
9/10/2019	City of San Marino	Aldo Cervantes	Proposed RHNA Methodology
9/10/2019	City of South Gate	Jorge Morales	Proposed RHNA Methodology
9/10/2019	City of Torrance	Patrick Furey	Proposed RHNA Methodology
9/10/2019	City of Rancho Cucamonga	John Gillison	Proposed RHNA Methodology
9/10/2019		Jeannette Mazul	Affordable Housing
9/10/2019		Tina Kim	Proposed RHNA Methodology
9/11/2019	City of South Pasadena	Stephanie DeWolfe	Proposed RHNA Methodology
9/11/2019	City of Glendora	Jeff Kugel	Proposed RHNA Methodology
9/11/2019	City of Ojai	John F. Johnson	Proposed RHNA Methodology
9/11/2019	City of Oxnard	Tim Flynn	Proposed RHNA Methodology
9/11/2019	City of Westlake Village	Ned E. Davis	Proposed RHNA Methodology
9/11/2019	City of Cerritos	Art Gallucci	Proposed RHNA Methodology
9/11/2019	City of Hemet	Christopher Lopez	Proposed RHNA Methodology
9/11/2019	City of La Palma	Laurie Murray	Proposed RHNA Methodology
9/11/2019	City of Bell	Ali Saleh	Proposed RHNA Methodology
9/11/2019		Karen Rivera	Regional Determination
9/11/2019		David Coffin	Regional Determination
9/12/2019	City of Lomita	Alicia Velasco	Proposed RHNA Methodology
9/12/2019	City of Wildomar	Matthew Bassi	Proposed RHNA Methodology
9/12/2019	City of Aliso Viejo	David Doyle	Proposed RHNA Methodology
9/12/2019	City of Commerce	Vilko Domic	Proposed RHNA Methodology
9/12/2019	City of El Monte	Betty Donovanik	Proposed RHNA Methodology
	South Bay Cities Council of Governments		
9/12/2019	(SBCCOG)	Christian Horvath	Proposed RHNA Methodology
9/12/2019	City of Huntington Beach	Dave Kiff	Proposed RHNA Methodology
9/12/2019	City of Rosemead	Gloria Molleda	Proposed RHNA Methodology
9/12/2019	City of Dana Point	Matt Schneider	Proposed RHNA Methodology
9/12/2019	City of Placentia	Rhonda Shader	Proposed RHNA Methodology
9/12/2019	City of Palos Verdes Estates	Carolynn Petru	Proposed RHNA Methodology
9/12/2019	City of Palmdale	Mark Oyler	Proposed RHNA Methodology
9/12/2019	City of Hawthorne	Alejandro Vargas	Proposed RHNA Methodology
9/12/2019	City of Irvine	Mayor Christina L. Shea	Proposed RHNA Methodology
9/12/2019	City of Walnut	Rob Wishner	Proposed RHNA Methodology
9/12/2019	City of Maywood	Jennifer Vasquez	Proposed RHNA Methodology
9/12/2019	City of Culver City	Meghan Sahli-Wells	Proposed RHNA Methodology
9/12/2019	City of Buena Park	Joel Rosen	Proposed RHNA Methodology
9/12/2019	City of Santa Clarita	Thomas Cole	Proposed RHNA Methodology
9/12/2019	City of Temecula	Luke Watson	Proposed RHNA Methodology
9/12/2019	City of Lake Elsinore	Richard MacHott	Proposed RHNA Methodology
9/12/2019	City of San Dimas	Ken Duran	Proposed RHNA Methodology

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Date of Letter	Organization	Name	Topic(s)
9/12/2019	City of Irwindale	William Tam	Proposed RHNA Methodology
9/12/2019	City of Santa Ana	Kristine Ridge	Proposed RHNA Methodology
9/12/2019	City of La Mirada	Jeff Boynton	Proposed RHNA Methodology
9/12/2019	City of Anaheim	Chris Zapata	Proposed RHNA Methodology
9/12/2019	City of Costa Mesa	Lori Ann Farrell Harrison	Proposed RHNA Methodology
9/12/2019	City of Huntington Park	Sergio Infanzon	Proposed RHNA Methodology
9/12/2019	Westside Neighborhood Council	Terri Tippit	Proposed RHNA Methodology
9/12/2019	City of Eastvale	Bryan Jones	Proposed RHNA Methodology
9/12/2019		John Birkett	Regional Determination
9/12/2019		Lourdes Petersen	Regional Determination
9/12/2019		Jesse Silva	Proposed RHNA Methodology
9/12/2019		Anne Hilborn	Proposed RHNA Methodology
9/12/2019		Henry Fung	Proposed RHNA Methodology
9/13/2019		Holly Osborne	Proposed RHNA Methodology
9/13/2019		Niall Huffman	Proposed RHNA Methodology
9/13/2019		Michael Hoskinson	Proposed RHNA Methodology
San Bernardino County Transportation			
9/13/2019	Authority/Council of Governments (SBCTA/SBCOG)	Darcy McNaboe	Proposed RHNA Methodology
9/13/2019	City of Downey	Aldo Schindler	Proposed RHNA Methodology
9/13/2019	City of Bellflower	Elizabeth Corpuz	Proposed RHNA Methodology
9/13/2019	City of Lakewood	Abel Avalos	Proposed RHNA Methodology
9/13/2019	City of Orange	Rick Otto	Proposed RHNA Methodology
9/13/2019	City of Paramount	John Carver	Proposed RHNA Methodology
9/13/2019	City of Rolling Hills	Jeff Pieper	Proposed RHNA Methodology
9/13/2019	City of San Fernando	Nick Kimball	Proposed RHNA Methodology
9/13/2019	City of Mission Viejo	Dennis Wilberg	Proposed RHNA Methodology
9/13/2019	City of Moorpark	Karen Vaughn	Proposed RHNA Methodology
9/13/2019	American Planning Association (CA Chapter)	Eric Phillips	Proposed RHNA Methodology
9/13/2019	County of Ventura	David Ward	Proposed RHNA Methodology
9/13/2019	City of Chino	Nicholas Liguori	Proposed RHNA Methodology
9/13/2019	One Step A La Vez	Kate English	Housing Development
American Planning Association (Los Angeles Section)			
9/13/2019	City of Laguna Beach	Ryan Kurtzman	Proposed RHNA Methodology
9/13/2019	City of Laguna Beach	Scott Drapkin	Proposed RHNA Methodology
9/13/2019	Santa Monicans for Renters' Rights	Patricia Hoffman and Denny Zane	Proposed RHNA Methodology
Western Riverside Council of Governments (WRCOG)			
9/13/2019	City of Los Angeles	Rick Bishop	Proposed RHNA Methodology
9/13/2019	City of Los Angeles	Mayor Eric Garcetti	Proposed RHNA Methodology
9/13/2019	City of West Hollywood	Mayor John D'Amico	Proposed RHNA Methodology
9/13/2019	City of San Juan Capistrano	Joel Rojas	Proposed RHNA Methodology
9/13/2019	City of Thousand Oaks	Mark Towne	Proposed RHNA Methodology
9/13/2019	City of Newport Beach	Seimone Jurjis	Proposed RHNA Methodology
9/13/2019	City of Laguna Niguel	Jonathan Orduna	Proposed RHNA Methodology
9/13/2019	County of San Bernardino	Terri Rahhal	Proposed RHNA Methodology
9/13/2019	City of Indio	Kevin Snyder	Proposed RHNA Methodology
9/13/2019	City of Avalon	Anni Marshall	Proposed RHNA Methodology
9/13/2019	City of Burbank	Patrick Prescott	Proposed RHNA Methodology
9/13/2019	City of Santa Monica Housing Commission	Michael Soloff	Proposed RHNA Methodology
9/13/2019	City of Riverside	Jay Eastman	Proposed RHNA Methodology

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Date of Letter	Organization	Name	Topic(s)
9/13/2019	City of Whittier	Conal McNamara	Proposed RHNA Methodology
9/13/2019	City of San Gabriel	Arminé Chaparyan	Proposed RHNA Methodology
9/13/2019	City of San Buenaventura (Ventura)	Peter Gilli	Proposed RHNA Methodology
9/13/2019	City of Temple City	Scott Reimers	Proposed RHNA Methodology
9/13/2019	City of Palm Desert	Ryan Stendell	Proposed RHNA Methodology
9/13/2019	City of Monterey Park	Ron Bow	Proposed RHNA Methodology
9/13/2019	LA Thrives Et Al. (19 total organizations)	LA Thrives Et Al. (19 total organizations)	Proposed RHNA Methodology
9/13/2019	Leadership Council for Justice and Accountability Et Al. (7 total organizations)	Leadership Council for Justice and Accountability Et Al. (7 total organizations)	Proposed RHNA Methodology
9/13/2019	Southern California Business Coalition (7 total organizations)	Southern California Business Coalition (7 total organizations)	Proposed RHNA Methodology
9/15/2019		Michelle Schumacher	Other
9/30/2019	Homeowners of Encino	Eliot Cohen	Proposed RHNA Methodology
9/30/2019		Trudy Sokol	Other
10/1/2019	City of Barstow	Michael Massimini	Proposed RHNA Methodology
10/2/2019	County of Orange	Supervisor Donald Wagner	Draft RHNA Methodology
10/3/2019	County of Riverside	Charissa Leach	Draft RHNA Methodology
10/4/2019	City of Irvine	Mayor Christina L. Shea	Draft RHNA Methodology
10/6/2019	UCLA Luskin School of Public Affairs	Paavo Monkkonen	Draft RHNA Methodology
10/7/2019	City of Costa Mesa	Lori Ann Farrell Harrison	Draft RHNA Methodology
10/8/2019	South Bay Cities Council of Governments (SBCCOG)	Christian Horvath	Draft RHNA Methodology
10/9/2019	Del Rey Residents Association	Tara Walden	Other
10/10/2019		Karen Davis Ferlauto	Other
10/11/2019	Abundant Housing LA	David Bonaccorsi	Draft RHNA Methodology
10/11/2019	City of Oxnard	Mayor Tim Flynn	Draft RHNA Methodology
10/16/2019	County of Riverside	Charissa Leach	Draft RHNA Methodology
10/21/2019	City of Newport Beach	Seimone Jurjis	Draft RHNA Methodology
10/21/2019	San Bernardino County Transportation Authority/Council of Governments (SBCTA/SBCOG)	Ray Wolfe	Draft RHNA Methodology
10/23/2019	County of Riverside	Barbara Broide	Draft RHNA Methodology
10/23/2019	County of Riverside	Supervisor Kevin Jeffries	Draft RHNA Methodology
10/25/2019		Robert Flores	Draft RHNA Methodology
10/25/2019		Reed Bernet	Draft RHNA Methodology
10/29/2019	Rancho Palos Verdes	Ana Mihranian	Draft RHNA Methodology
10/28/2019		Warren Hogg	Draft RHNA Methodology
10/29/2019	City of Coachella	Luis Lopez	Draft RHNA Methodology
10/31/2019		Marilyn Brown	Purpose of RHNA
11/1/2019		Mayor Rusty Bailey (City of Riverside) Supervisor Karen Spiegel (County of Riverside) Mayor Frank Navarro (City of Colton) Hon. Toni Momberger (City of Redlands)	Draft RHNA Methodology
11/1/2019	City of Los Angeles, 4th District	Hon. David Ryu	Draft RHNA Methodology
11/4/2019	Central Cities Association of Los Angeles	Jessica Lall	Draft RHNA Methodology
11/5/2019	Orange County Council of Governments (OCCOG)	Marnie O. Primmer	Draft RHNA Methodology
11/5/2019	City of Gardena	Mayor Tasha Cerda	Draft RHNA Methodology
11/5/2019	City of Los Angeles	Vincent P. Bertoni and Kevin J. Keller	Draft RHNA Methodology
11/5/2019	City of Huntington Beach	Oliver Chi	Draft RHNA Methodology

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Date of Letter	Organization	Name	Topic(s)
11/6/2019	City of Hemet	Christopher Lopez	Draft RHNA Methodology
11/6/2019	City of Chino	Nicholos S. Liguori	Draft RHNA Methodology
11/6/2019	City of Menifee	Cheryl Kitzerow	Draft RHNA Methodology
11/6/2019	County of Los Angeles	Sachi A. Hamai	Draft RHNA Methodology
11/6/2019	City of Newport Beach	Seimone Jurjis	Draft RHNA Methodology
11/6/2019	City of Fontana	Michael Milhiser	Draft RHNA Methodology
11/6/2019	City of Chino Hills	Joann Lombardo	Draft RHNA Methodology
11/6/2019		Henry Fung	Regional Determination
11/6/2019	City of Costa Mesa	Barry Curtis	Draft RHNA Methodology
11/7/2019	City of Temple City	Scott Reimers	Draft RHNA Methodology
11/8/2019	Gateway Cities Council of Governments (GCCOG)	Nancy Pfeffer	Draft RHNA Methodology
11/20/2019	City of Huntington Beach	Michael Gates, Mayor Erik Peterson, and Mayor Pro Tem Lyn Semeta	Draft RHNA Methodology
12/12/2019		Holly Osborne	Draft RHNA Methodology
12/12/2019	City of Tustin	Allan Bernstein	Draft RHNA Methodology
12/19/2019	City of Fountain Valley	Mayor Cheryl Brothers	Draft RHNA Methodology
12/16/2019	City of Chino Hills	Joann Lombardo	Draft RHNA Methodology
12/20/2019	City of Cerritos	Naresh Solanki	Draft RHNA Methodology
1/23/2020		Karen Farley	Draft RHNA Methodology
1/23/2020		Steve Stowell	Draft RHNA Methodology
1/27/2020		Janet Chang	Draft RHNA Methodology
1/29/2020	City of Downey	Mayor Blanca Pacheco	Draft RHNA Methodology
2/4/2020	City of Cerritos	Mayor Naresh Solanki	Draft RHNA Methodology
2/6/2020		Steve Davey	Draft RHNA Methodology
2/6/2020		Connie Bryant	Draft RHNA Methodology
2/6/2020		Tom Wright	Draft RHNA Methodology
2/10/2020	City of Irvine	Marika Poynter	Draft Appeals Procedures
2/10/2020	City of Laguna Hills	David Chantarangsu	Draft Appeals Procedures
2/10/2020	City of Mission Viejo	Gail Shiomoto-Lohr	Draft Appeals Procedures
2/10/2020	City of Santa Ana	Melanie McCann	Draft Appeals Procedures
2/10/2020	City of Oxnard (amended)	Elyssa Vasquez	Draft Appeals Procedures
2/10/2020		Jennifer Denmark	Draft Appeals Procedures
2/12/2020		Janice and Ricardo Lim	Draft RHNA Methodology
2/18/2020	City of Lakewood	Thaddeus McCormack	Draft RHNA Methodology
2/18/2020	OCCOG	Marnie O. Primmer	Regional Determination Objection
2/18/2020		Nancy Norman	Draft RHNA Methodology
2/18/2020		Sepeedeh Ahadiat	Draft RHNA Methodology
2/18/2020		Nas Ahadiat	Draft RHNA Methodology
2/19/2020		Dave Latter	Draft RHNA Methodology
2/19/2020		Vikki Bujold-Peterson	Draft RHNA Methodology
2/19/2020	City of Yorba Linda	David Brantley	Draft RHNA Methodology
2/21/2020	City of Newport Beach	Will O'Neill	Draft RHNA Methodology
2/20/2020	City of Rancho Santa Margarita	Cheryl Kuta	Draft RHNA Methodology
2/20/2020	City of Huntington Beach	Oliver Chi	Draft RHNA Methodology
2/20/2020	City of South Gate	Joe Perez	Draft RHNA Methodology
2/20/2020	City of West Hollywood	John Leonard	Draft RHNA Methodology
2/20/2020	City of Cerritos	Art Gallucci	Draft RHNA Methodology
2/22/2020		Colleen Johnson	Draft RHNA Methodology
2/23/2020		Nancy Pleskot	Other
2/23/2020		Susan Decker	Draft RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
2/23/2020		Scott Nathan	Housing Development
2/20/2020	City of Irvine	Pete Carmichael	Draft RHNA Methodology
2/20/2020	City of Anaheim	Ted White	Draft RHNA Methodology
2/24/2020	City of Anaheim	Trevor O'Neil	Draft RHNA Methodology
2/25/2020		Vito Mancini	Draft RHNA Methodology
2/25/2020		Henry Fung	CEHD Meeting Agenda
2/25/2020	City of Rosemead	Margaret Clark and Gloria Molleda	Draft RHNA Methodology
2/26/2020	City of Fullerton	Kenneth Domer	Draft RHNA Methodology
2/26/2020		Henry Fung	Draft RHNA Methodology
2/26/2020	City of Alhambra	Jessica Binnquist	Draft RHNA Methodology
2/26/2020		Holly Osborne	Draft RHNA Methodology
2/26/2020	City of La Mirada	Jeff Boynton	Draft RHNA Methodology
2/26/2020	City of Garden Grove	Steven Jones	Draft RHNA Methodology
2/26/2020		Mehta Sunil	Draft RHNA Methodology
2/26/2020	City of Gardena	Tasha Cerda	Draft RHNA Methodology
2/27/2020		Jaimee Suh	Draft RHNA Methodology
2/27/2020	City of South Pasadena	Robert S. Joe	Draft RHNA Methodology
2/27/2020	City of South Gate	Michael Flad	Draft RHNA Methodology
2/27/2020	City of Walnut	Rob Wishner	Draft RHNA Methodology
2/27/2020	City of La Verne	Eric Scherer	Draft RHNA Methodology
2/28/2020		Kari Geosano	Draft RHNA Methodology
2/28/2020	City of Torrance	Danny E. Santana	Draft RHNA Methodology
2/28/2020	City of Laguna Hills	Janine Heft	Draft RHNA Methodology
3/1/2020		Scott Pisano	Draft RHNA Methodology
3/2/2020	City of Bradbury	Richard T. Hale, Jr.	Draft RHNA Methodology
3/2/2020	City of La Mirada	Jeff Boynton	Draft RHNA Methodology
3/2/2020	City of Norco	Steve King	Draft RHNA Methodology
3/2/2020	City of Seal Beach	Les Johnson	Draft RHNA Methodology
3/3/2020	City of Torrance	Danny E. Santana	Draft RHNA Methodology
3/3/2020	City of Cerritos	Art Gallucci	Draft RHNA Methodology
3/3/2020	City of San Dimas	Ken Duran	Draft RHNA Methodology
3/3/2020	City of La Palma	Peter Kim	Draft RHNA Methodology
3/3/2020	City of Newport Beach	Will O'Neill	Draft RHNA Methodology
3/3/2020	City of Rancho Palos Verdes	Terry Rodrigue	Draft RHNA Methodology
3/4/2020		Brian Johnson	Draft RHNA Methodology
3/4/2020	City of Riverside	William R. "Rusty" Bailey (City of Riverside), Frank Navarro (City of Colton), Larry K. McCallon (City of Highland), Deborah Robertson (City of Rialto), Carmen Ramirez (City of Oxnard), Steve Manos (City of Lake Elsinore), Karen S. Spiegel (County of Riverside)	Draft RHNA Methodology
3/4/2020	City of Monterey Park	Ron Bow	Draft RHNA Methodology
3/4/2020		Holly Osborne	Draft RHNA Methodology
3/4/2020	City of La Puente	Bob Lindsey	Draft RHNA Methodology
3/4/2020	City of Huntington Beach	Oliver Chi	Draft RHNA Methodology
3/4/2020	City of Eastvale	Bryan Jones	Draft RHNA Methodology
3/4/2020	City of Lake Forest	Neeki Moatazedi	Draft RHNA Methodology
3/4/2020	City of Chino Hills	Ray Marquez	Draft RHNA Methodology
3/4/2020	City of La Puente	Bob Lindsey	Draft RHNA Methodology
3/5/2020	City of Costa Mesa	Barry Curtis	Draft RHNA Methodology
3/12/2020	City of Fountain Valley	(unsigned)	Proposed Housing Legislative Amendments
3/14/2020		Amy Wasson	RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
4/27/2020	OCCOG	Hon. Trevor O'Neil	RHNA Methodology
5/5/2020		Holly Osborne	RHNA Methodology
5/5/2020		Holly Osborne	RHNA Methodology (2nd letter received)
11/4/2020	City of Beverly Hills	Lester J. Friedman	RHNA Litigation Committee
11/9/2020	City of Lakewood	Todd Rogers	RHNA Litigation Committee
11/10/2020	City of Rosemead	Sandra Armenta	RHNA Litigation Committee
11/10/2020	City of Gardena	Tasha Cerda	RHNA Litigation Committee
11/11/2020	City of Cypress	Rob Johnson	Comment from Jurisdiction on filed appeal: City of Santa Ana
11/11/2020	City of Cypress	Rob Johnson	RHNA Litigation Committee
11/12/2020	City of Torrance	Patrick J. Furey	RHNA Litigation Committee
11/13/2020	City of Whittier	Joe Vinatieri	RHNA Litigation Committee
11/16/2020	City of Rancho Santa Margarita	Bradley J. McGirr	RHNA Litigation Committee
11/16/2020	City of Pico Rivera	Gustavo Camacho	RHNA Litigation Committee
11/16/2020	City of Pico Rivera	Steve Carmona	RHNA Litigation Committee
11/16/2020	City of Glendora	Michael Allawos	RHNA Litigation Committee
11/17/2020	City of Beverly Hills	George Chavez	RHNA Litigation Committee
11/17/2020	City of Lawndale	Robert Pullen-Miles	RHNA Litigation Committee
11/17/2020	City of Norwalk	Jennifer Perez	RHNA Litigation Committee
11/17/2020	City of Redondo Beach	William Brand	RHNA Litigation Committee
11/17/2020	City of San Fernando	Joel Fajardo	RHNA Litigation Committee
11/17/2020	City of Fountain Valley	Cheryl Brothers	RHNA Litigation Committee
11/17/2020	City of Laguna Beach	Bob Whalen	RHNA Litigation Committee
11/18/2020	City of Cerritos	Frank Aurelio Yokoyama	RHNA Litigation Committee
11/18/2020	City of Rancho Palos Verdes	Ara Michael Mihanian	RHNA Litigation Committee
11/18/2020	City of Pasadena	Steve Mermell	RHNA Litigation Committee
11/18/2020	City of Lomita	James Gazeley	RHNA Litigation Committee
11/18/2020	City of Westminster	Sherry Johnson	RHNA Litigation Committee
11/18/2020	City of Temple City	Bryan Cook	RHNA Litigation Committee
11/20/2020	South Bay Cities Council of Governments	Olivia Valentine	RHNA Litigation Committee
11/24/2020	City of Calipatria	Jim Spellins	RHNA Litigation Committee
11/24/2020	City of Chino	Nicholas S. Liguori	RHNA Litigation Committee
11/30/2020	City of Irvine	Christina Shea	RHNA Litigation Committee
11/30/2020	City of Signal Hill	Robert Copeland	RHNA Litigation Committee
12/1/2020	City of Yorba Linda	Mark Pulone	Comment from Jurisdiction on filed appeal: City of Yorba Linda
12/1/2020	Orange County Mayors	21 Orange County mayors	RHNA Litigation Committee
12/2/2020	City of Rancho Santa Margarita	Bradley J. McGirr	Comment from Jurisdiction on filed appeal: City of Santa Ana
12/3/2020	City of Long Beach	Christopher Koontz	Comment from Jurisdiction on filed appeal: All appeals
12/4/2020		Kevin Yang	Public comment on filed appeal: City of Yorba Linda
12/9/2020	City of Yorba Linda	Mark Pulone	Comment from Jurisdiction on filed appeal: City of Yorba Linda
12/10/2020	City of Whittier	Jeffrey S. Adams	Comment from Jurisdiction on filed appeal: All appeals
12/10/2020	California Department of Housing and Community Development (HCD)	Megan Kirkeby	Comment from California Department of Housing & Community Development on filed appeal: All appeals
12/10/2020	City of Corona	Joanne Coletta	Comment from Jurisdiction on filed appeal: City of Hemet and County of Riverside
12/10/2020	City of Santa Ana	Kristine Ridge	Comment from Jurisdiction on filed appeal: City of Santa Ana
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Costa Mesa
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: County of Orange
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Fountain Valley
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Fullerton
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Garden Grove

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Irvine
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: La Palma
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Laguna Beach
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Laguna Hills
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Los Alamitos
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Mission Viejo
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Newport Beach
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Rancho Santa Margarita
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Tustin
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Westminster
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Yorba Linda
12/18/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Orange County jurisdictions
12/21/2020	City of Yorba Linda	Mark Pulone	Response to comment from Public Law Center (12/10/20)
12/24/2020		Holly Osborne	RHNA Methodology
1/4/2021		Henry Fung	RHNA Litigation Committee
1/5/2021	City of Yorba Linda	Nate Farnsworth	Public comment on filed appeal: Fontana; Pico Rivera; San Dimas; Yorba Linda
1/5/2021	City of Chino Hills	Joann Lombardo	Public comment on filed appeal: Chino Hills
1/6/2021		Henry Fung	RHNA Litigation Committee
1/7/2021	City of Pico Rivera	Luis Rodriguez	Public comment on filed appeal: Pico Rivera
1/8/2021	Eastlake Village Community Association	Susan Janowicz	Public comment on filed appeal: Yorba Linda
1/8/2021		Anonymous	Public comment on filed appeal: Yorba Linda
1/11/2021	City of Pico Rivera	Luis Rodriguez Jr.	Public comment on filed appeal: Pico Rivera
1/12/2021	People for Housing Orange County; The Kennedy Commission; Orange County United Way; Providence; Welcoming Neighbors Home; Tapestry; Habitat for Humanity of Orange County	Elizabeth Hansburg; Cesar Covarrubias; Susan Parks; Barry Ross; Rona Henry; Rev. Kent Doss; Sharon Ellis	Public comment on filed appeals: Orange County Cities
1/12/2021		Katherine Kim	Public comment on filed appeal: Yorba Linda
1/12/2021		Mark Lee	Public comment on filed appeal: Yorba Linda
1/12/2021		Jackie Girgis	Public comment on filed appeal: Yorba Linda
1/12/2021		Denelle Voegtly	Public comment on filed appeal: Yorba Linda
1/12/2021		Arivinder Mann	Public comment on filed appeal: Yorba Linda
1/13/2021	Hollywood Riviera Homeowners Association	Amy Josefek	Public comment on filed appeal: Torrance
1/13/2021	City of Newport Beach	Brad Avery	Response to comment from Public Law Center (12/10/20)
1/13/2021		Chris Dreike	RHNA Methodology
1/13/2021		Russell Khouri	Public comment on filed appeal: Rancho Santa Margarita
1/14/2021		Don Bernstein	Public comment on filed appeal: Yorba Linda
1/14/2021		Rhonda Lundberg	Public comment on filed appeal: Rancho Santa Margarita
1/14/2021	Orange County Business Council	Jennifer Ward	Public comment on filed appeals: Orange County Cities
1/14/2021	City of Yorba Linda	Todd O. Litfin	Public comment on filed appeal: Yorba Linda
1/14/2021	City of Irvine	Pete Carmichael	Public comment on filed appeal: City of Irvine
1/14/2021		Cindy Gildersleeve	Public comment on filed appeal: Rancho Santa Margarita
1/14/2021		Merilyn Qian	Public comment on filed appeal: Yorba Linda
1/14/2021		Tiangang Qian	Public comment on filed appeal: Yorba Linda
1/14/2021		Colleen Kirtland	Public comment on filed appeal: Yorba Linda
1/15/2021	City of Huntington Beach	Nicolle Aubé	Public comment on filed appeal: City of Huntington Beach
1/15/2021		Holly Osborne	RHNA Methodology
1/15/2021	City of Rancho Santa Margarita	Cheryl Kuta	Public comment on filed appeal: Rancho Santa Margarita
1/15/2021	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Huntington Beach
1/17/2021		Beth Heard	Public comment on filed appeal: Rancho Santa Margarita
1/18/2021		Alfred Twu	Public comment on RHNA Allocation: Vernon and City of Industry

Written Comments Received on the 6th Cycle RHNA (as of 2/9/21)

Date of Letter	Organization	Name	Topic(s)
1/19/2021		Holly Osborne	RHNA Methodology; Public comment on filed appeal: Redondo Beach
1/21/2021		Tieira	Public comment on RHNA Allocation: Santa Monica
1/22/2021		Rhonda Lundberg	Public comment on filed appeal: Rancho Santa Margarita
1/22/2021		Holly Osborne	Public comment on filed appeal: Redondo Beach
1/23/2021	City of Pico Rivera	Michael L. Garcia	Public comment on filed appeal: Pico Rivera
2/3/2021	City of Mission Viejo	William P. Curley III	RHNA Methodology
2/3/2021		Tieira	Public comment on RHNA Allocation: Santa Monica
2/3/2021		Henry Fung	RHNA Litigation Committee
2/4/2021		Holly Osborne	RHNA Methodology
2/9/2021		Mary Jo Egus	Public comment on filed appeal: Rancho Santa Margarita

All comments are posted online at <https://scag.ca.gov/rhna-comments>.
 Comments can be submitted to: housing@scag.ca.gov



Southern California Association of Governments
Remote Participation Only
February 16, 2021

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD
MINUTES OF THE MEETING
WEDNESDAY, JANUARY 6, 2021

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA APPEALS BOARD. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The RHNA Appeals Board of the Southern California Association of Governments (SCAG) held its meeting telephonically and electronically, given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor's Executive Order N-29-20. A quorum was present.

Present

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)
Sup. Luis Plancarte, Imperial County (Alternate)

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary)

Representing Orange County

Hon. Peggy Huang, Yorba Linda, TCA (Alternate): **Chair**

Representing Riverside County

Hon. Russell Betts, Desert Hot Springs, Pres. Appt. (Primary)
Hon. Rey Santos, Beaumont, District 3 (Alternate)

Representing San Bernardino County

Hon. Deborah Robertson, Rialto, District 8 (Primary)

Representing Ventura County

Sup. Carmen Ramirez, Ventura County (Primary)

Members Not Present

Hon. Rex Richardson, Long Beach, District 29 (Alternate)
Hon. Wendy Bucknum, Mission Viejo, District 13 (Primary)

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Hon. Larry McCallon, Highland, District 7 (Alternate)
Hon. Mike T. Judge, Simi Valley, VCTC (Alternate)

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Huang called the meeting to order at 9:00 a.m.

PUBLIC COMMENT PERIOD

Chair Huang opened the Public Comment Period and outlined instructions for public comments.

Written comments received after the agenda was posted and before the 5pm deadline the day before the hearing were read into the public comment record. Written comments read into the record were received from members of the public, Henry Fung who commented on RHNA Litigation Committee on January 4, 2021, Nate Farnsworth representing City of Yorba Linda regarding a public comment on filed appeal for Fontana, Pico Rivera, San Dimas and Yorba Linda on January 5, 2021 and Joann Lombardo representing City of Chino Hills regarding public comment on filed appeal for Chino Hills on January 5, 2021. Verbal comments were provided by the following:

1. Richard Walker and Alexis Mondares, Public law Center, Orange County regarding an appeal filed by the City of Huntington Beach
2. Jessica Serrano, City of Norwalk, in regard to conducting a special closed session to discuss RHNA Litigation committees' recommendations.
3. Stacy Morales, City of Norwalk, in regard to conducting a special closed session to discuss RHNA Litigation committees' recommendations.
4. Nate Farnsworth, City of Yorba Linda, in regard to RHNA and Connect SoCal consistency.
5. Fred Galante, City of Chino, in regard to RHNA and Connect SoCal consistency.

Seeing no further comments, Chair Huang closed the Public Comment Period.

ACTION ITEM/s

1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations

Executive Director Kome Ajise provided some remarks about the RHNA Appeals process.

1.1. City of Barstow

Rebecca Merrell provided a presentation on behalf of the City of Barstow. Michael Gainor provided

the SCAG staff presentation. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Finlay) to deny the appeal filed by the City of Barstow (the City) to reduce its Draft RHNA Allocation by 635 housing units, from 1,516 units to 881 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.2. City of Chino

Mr. Nick Laguori provided a presentation on behalf of the City of Chino. Michael Gainor provided the SCAG staff presentation. Mr. Fred Galante and Nick Laguori provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to deny the appeal filed by the City of Chino (the City) to reduce its draft RHNA allocation from its current allocation of 6,961 units to 3,397 units, a reduction of 3,564 units (51.2 percent). Motion was SECONDED (Betts). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, RAMIREZ, VIEGAS-WALKER (4)

NOES: HUANG (1)

ABSTAIN: ROBERTSON (1)

1.3. City of Chino Hills

Joann Lombardo provided a presentation on behalf of the City of Chino Hills. Kevin Kane provided the SCAG staff presentation. Joann Lombardo provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Finlay) to deny the appeal filed by the City of Chino Hills (the City) to reduce the Draft RHNA Allocation for the City by 1,797 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, RAMIREZ, VIEGAS-WALKER (4)

NOES: HUANG (1)

ABSTAIN: ROBERTSON (1)

1.4. City of Fontana

DiTanyon Johnson provided a presentation on behalf of the City of Fontana. Roland OK provided the SCAG staff presentation. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to deny the appeal filed by the City of Fontana (the City) to reduce its draft RHNA allocation by 10,563 units. Motion was SECONDED (Betts). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, VIEGAS-WALKER (5)

NOES: NONE (0)

ABSTAIN: ROBERTSON (1)

The RHNA Appeals Board recessed the meeting for a break at 12:20 p.m. and reconvened the meeting at 12:46 p.m.

1.5. City of Hemet

Monique Alaniz-Fletjer and HP Kang provided a presentation on behalf of City of Hemet. Karen Calderon provided the SCAG staff presentation. Monique Alaniz-Fletjer and HP Kang provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of Hemet (the City) to reduce the draft RHNA allocation for the City by 2,824 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.6. County of Riverside

Robert Flores and Juan Perez provided a presentation on behalf of County of Riverside. Ma'Ayn Johnson provided the SCAG staff presentation. Robert Flores and Juan Perez provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Finlay) to partially approve the appeal filed by the County of Riverside to reduce the draft RHNA allocation for the County of Riverside (unincorporated areas) by 215 units, for a total draft RHNA allocation of 40,553 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.7. City of Calipatria

The City of Calipatria withdrew its appeal.

ADJOURNMENT

There being no further business, Chair Huang adjourned the RHNA Appeals Board meeting at 2:15 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE RHNA APPEALS BOARD]

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Southern California Association of Governments
Remote Participation Only
February 16, 2021

**REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD
MINUTES OF THE MEETING
FRIDAY, JANUARY 8, 2021**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA APPEALS BOARD. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The RHNA Appeals Board of the Southern California Association of Governments (SCAG) held its meeting telephonically and electronically, given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor’s Executive Order N-29-20. A quorum was present.

Present

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary)

Representing Orange County

Hon. Wendy Bucknum, Mission Viejo, District 13 (Primary)

Hon. Peggy Huang, Yorba Linda, TCA (Alternate): **Chair**

Representing Riverside County

Hon. Russell Betts, Desert Hot Springs, Pres. Appt. (Primary)

Hon. Rey Santos, Beaumont, District 3 (Alternate)

Representing San Bernardino County

Hon. Deborah Robertson, Rialto, District 8 (Primary)

Representing Ventura County

Sup. Carmen Ramirez, Ventura County (Primary)

Members Not Present

Sup. Luis Plancarte, Imperial County (Alternate)

Hon. Rex Richardson, Long Beach, District 29 (Alternate)

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OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Hon. Larry McCallon, Highland, District 7 (Alternate)
Hon. Mike T. Judge, Simi Valley, VCTC (Alternate)

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Huang called the meeting to order at 9:00 a.m. Chair Huang asked Board Member Cheryl Viegas-Walker, El Centro, District 1, to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Chair Huang opened the Public Comment Period and outlined instructions for public comments.

Written comments received after the agenda was posted and before the 5pm deadline the day before the hearing were read into the public comment record. Written comments read into the record were received from Public Law Center by Alexis Mondares and Richard Walker regarding Public Comment on filed appeal: Orange County jurisdictions on December 18, 2020. Verbal comments were provided by the following:

1. Henry Fung regarding RHNA appeals board laws and regulations
2. Nate Farnsworth, RHNA and Connect SoCal consistency

Seeing no further comments, Chair Huang closed the Public Comment Period.

ACTION ITEMS

1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations

1.1. City of South Gate

Paul Adams provided a presentation on behalf of the City of South Gate. Karen Calderon provided the SCAG staff presentation. Mr. Adams provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to deny the appeal filed by City of South Gate to reduce the Draft RHNA Allocation for the City of South Gate by 1,632 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.2. City of Bellflower

Elizabeth Corpuz provided a presentation on behalf of the City of Bell Flower. Karen Calderon provided the SCAG staff presentation. Ms. Corpuz provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of Bellflower (City) to reduce the Draft RHNA Allocation for the City by 2,726 units. Motion was SECONDED (Robertson). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.3. City of Downey

The City of Downey did not have a representative available to present their appeal. After a follow up from SCAG staff, City of Downey staff indicated that they did not plan to attend their hearing session.

A MOTION was made (Viegas-Walker) to deny the appeal filed by the City of Downey (City) requesting SCAG conduct an assessment to verify the City's projected population and job growth. Motion was SECONDED (Betts). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)*

NOES: NONE (0)

ABSTAIN: NONE (0)

1.4. City of Pico Rivera

Michael Garcia provided a presentation on behalf of the City of Pico Rivera. Karen Calderon provided the SCAG staff presentation. Mr. Garcia provided a brief rebuttal. The RHNA Appeals

Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to table this item to allow staff time to review items received from the City of Pico Rivera. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)*

NOES: NONE (0)

ABSTAIN: NONE (0)

1.5. City of Lakewood

Abel Avalos provided a presentation on behalf of the City of Lakewood. Karen Calderon provided the SCAG staff presentation. Mr. Avalos provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of Lakewood (City) to reduce the Draft RHNA Allocation for the City by 1,414 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.6. City of La Mirada

Gabriel Bautista provided a presentation on behalf of the City of La Mirada. Karen Calderon provided the SCAG staff presentation. Mr. Bautista provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Finlay) to deny the appeal filed by City of La Mirada (City) to reduce the Draft RHNA Allocation for the City. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

The RHNA Appeals Board recessed the meeting for a break at 12:01 p.m. and reconvened the meeting at 12:20 p.m.

1.7. City of Huntington Park

Sergio Infanzon provided a presentation on behalf of the City of Huntington Park. Karen Calderon provided the SCAG staff presentation. Mr. Infanzon provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to Deny the appeal filed by the City of Huntington Park (City) to reduce the Draft RHNA Allocation for the City by 1,000 units. Motion was SECONDED (Robertson). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.8. City of Cerritos

Christian Aguilar provided a presentation on behalf of the City of Cerritos. Karen Calderon provided the SCAG staff presentation. Mrs. Aguilar provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Robertson) to Deny the appeal filed by the City of Cerritos (City) to reduce the Draft RHNA Allocation for the City by 129 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES BETTS, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

*After Agenda Item 1.8 City of Cerritos, the Board took action on Agenda Item 1.3 City of Downey. The Board then reconsidered Agenda Item 1.4 City of Pico Rivera to follow up with staff on their review of the materials submitted by the city. The RHNA Appeals Board entered into discussions. Shortly thereafter, the RHNA Appeals Board took action again on Agenda Item 1.4 Pico Rivera.

A MOTION was made (Betts) to deny the appeal filed by the City of Pico Rivera (City) to reduce the Draft RHNA Allocation for the City by 3,251 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM FINLAY, ROBERTSON, VIEGAS-WALKER (5)

NOES: NONE (0)

ABSTAIN: RAMIREZ (1)

ADJOURNMENT

There being no further business, Chair Huang adjourned the RHNA Appeals Board meeting in memory of Tom LoBonge and Tommy Lasorda at 1:47 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE RHNA APPEALS BOARD]

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Southern California Association of Governments
Remote Participation Only
February 16, 2021

**REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD
MINUTES OF THE MEETING
MONDAY, JANUARY 11, 2021**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA APPEALS BOARD. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The RHNA Appeals Board of the Southern California Association of Governments (SCAG) held its meeting telephonically and electronically, given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor’s Executive Order N-29-20. A quorum was present.

Present

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)
Sup. Luis Plancarte, Imperial County (Alternate)

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary)

Representing Orange County

Hon. Wendy Bucknum, Mission Viejo, District 13 (Primary)
Hon. Peggy Huang, Yorba Linda, TCA (Alternate): **Chair**

Representing Riverside County

Hon. Russell Betts, Desert Hot Springs, Pres. Appt. (Primary)
Hon. Rey Santos, Beaumont, District 3 (Alternate)

Representing San Bernardino County

Hon. Deborah Robertson, Rialto, District 8 (Primary)
Hon. Larry McCallon, Highland, District 7 (Alternate)

Representing Ventura County

Sup. Carmen Ramirez, Ventura County (Primary)

Members Not Present

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To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Hon. Rex Richardson, Long Beach, District 29 (Alternate)
Hon. Mike T. Judge, Simi Valley, VCTC (Alternate)

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Huang called the meeting to order at 9:03 a.m. Chair Huang asked Board Member Deborah Robertson, San Bernardino County, to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Chair Huang opened the Public Comment Period and outlined instructions for public comments.

Written comments received after the agenda was posted and before the 5pm deadline the day before the hearing were read into the public comment record. Written comments read into the record were from City of Pico Rivera by Luis Rodriguez regarding Public comment on filed appeal: Pico Rivera on January 7, 2021, from Eastlake Village Community Association by Susan Janowicz regarding Public comment on filed appeal: Yorba Linda on January 8, 2021 and from an anonymous person regarding Public comment on filed appeal: Yorba Linda on January 8, 2021. Verbal comments were provided by the following:

1. Monica Rodriguez, City of Norwalk in regard to conducting a special closed session to discuss RHNA Litigation committee's recommendations.
2. Kate Kazama, City of Norwalk in regard to conducting a special closed session to discuss RHNA Litigation committee's recommendations.
3. Beth Chao, City of Norwalk in regard to conducting a special closed session to discuss RHNA Litigation committee's recommendations.

Seeing no further comments, Chair Huang closed the Public Comment Period.

ELECTION OF VICE CHAIR

Chair Huang introduced Patricia Chen, Legal Counsel, to facilitate the election. Ms. Chen opened the floor for nominations for RHNA Appeals Board Vice Chair.

Councilmember Cheryl Viegas-Walker nominated Councilmember Margaret Finlay for RHNA Appeals Board Vice Chair. Supervisor Ramirez seconded the nomination. Councilmember Finlay provided brief remarks.

A MOTION was made to close nominations (Bucknum). The motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

FOR: BETTS, BUCKNUM, FINLAY, HUANG, MCCALLON, PLANCARTE, RAMIREZ, ROBERTSON, SANTOS, VIEGAS-WALKER (10)

AGAINST: NONE (0)

ABSTAIN: NONE (0)

ACTION ITEMS

1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations

1.1. City of El Monte

Nancy Lee and Tony Boo provided a presentation on behalf of the City of El Monte. Michael Gainor provided the SCAG staff presentation. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of El Monte (the City) to reduce its Draft RHNA Allocation from its current draft allocation of 8,481 units to 5,345 units, a reduction of 3,136 units Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (5)

NOES: NONE (0)

ABSTAIN: BUCKNUM (1)

1.2. City of San Dimas

Henry Noh provided a presentation on behalf of the City of San Dimas. Michael Gainor provided the SCAG staff presentation. No rebuttal was provided. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Robertson) to deny the appeal filed by the City of San Dimas (the City) to reduce its Draft RHNA Allocation from 1,245 units to 245 units, a reduction of 1,000 units 80.3 percent Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.3. City of Alhambra

Eric Philips provided a presentation on behalf of the City of Alhambra. Michael Gainor provided the SCAG staff presentation. Mr. Philips provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of Alhambra (the City) to reduce its Draft RHNA Allocation from its current allocation of 6,808 units to 3,318 units, a reduction of 3,490 units. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER

NOES: NONE (0)

ABSTAIN: NONE (0)

1.4. City of Temple City

Scott Reimers provided a presentation on behalf of the City of Temple City. Michael Gainor provided the SCAG staff presentation. Mr. Reimers provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of Temple City (the City) to reduce its Draft RHNA Allocation from its current draft allocation of 2,182 units to 987 units, a reduction of 1,195 units (54.8 percent). Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.5. City of San Gabriel

Samantha Tewasart provided a presentation on behalf of the City of San Gabriel. Michael Gainor provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of San Gabriel (the City) to reduce its Draft RHNA Allocation from its current allocation of 3,017 housing units to an undefined lower number of units. Motion was SECONDED (Robertson). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

The RHNA Appeals Board recessed the meeting for a break at 12:00 p.m. and reconvened the meeting at 12:20 p.m.

1.6. City of South Pasadena

Joanna Hankamer provided a presentation on behalf of the City of South Pasadena. Michael Gainor provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Ramirez) to deny the appeal filed by the City of South Pasadena (the City) to reduce its Draft RHNA Allocation by 846 units. Motion was SECONDED (Bucknum). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.7. City of Pasadena

David Reyes, and Veronica Tam provided a presentation on behalf of the City of Pasadena. Ma'Ayn Johnson provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Robertson) to deny the appeal filed by the City of Pasadena (the City) to reduce its Draft RHNA Allocation from 9,408 housing units to 7,361 units, a reduction of 2,047 units (21.8 percent). Motion was SECONDED (Betts). The motion passed by the following roll call votes:

AYES: BETTS, RAMIREZ, ROBERTSON, VIEGAS-WALKER (4)

NOES: NONE (0)

ABSTAIN: FINLAY, BUCKNUM (2)

1.8. City of San Fernando

Tim Hou provided a presentation on behalf of the City of San Fernando. Roland Ok provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Finlay) to deny the appeal filed by the City of San Fernando (the City) to reduce the Draft RHNA Allocation for the City by 1,291 units. Motion was SECONDED (Robertson). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

ADJOURNMENT

There being no further business, Chair Huang adjourned the RHNA Appeals Board meeting at 2:17 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE RHNA APPEALS BOARD]

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Southern California Association of Governments
Remote Participation Only
February 16, 2021

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD
MINUTES OF THE MEETING
WEDNESDAY, JANUARY 13, 2021

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA APPEALS BOARD. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The RHNA Appeals Board of the Southern California Association of Governments (SCAG) held its meeting telephonically and electronically, given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor's Executive Order N-29-20. A quorum was present.

Present

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)
Sup. Luis Plancarte, Imperial County (Alternate)

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary): **Vice Chair**

Representing Orange County

Hon. Peggy Huang, Yorba Linda, TCA (Alternate): **Chair**

Representing Riverside County

Hon. Russell Betts, Desert Hot Springs, Pres. Appt. (Primary)

Representing San Bernardino County

Hon. Deborah Robertson, Rialto, District 8 (Primary)
Hon. Larry McCallon, Highland, District 7 (Alternate)

Representing Ventura County

Sup. Carmen Ramirez, Ventura County (Primary)
Hon. Mike T. Judge, Simi Valley, VCTC (Alternate)

Members Not Present

Hon. Rex Richardson, Long Beach, District 29 (Alternate)

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Hon. Wendy Bucknum, Mission Viejo, District 13 (Primary)
Hon. Rey Santos, Beaumont, District 3 (Alternate)

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Huang called the meeting to order at 9:01 a.m. Chair Huang asked Board Member Margaret Finlay, Los Angeles County, to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Chair Huang opened the Public Comment Period and outlined instructions for public comments.

Written comments received after the agenda was posted and before the 5pm deadline the day before the hearing were read into the public comment record. Written comments read into the record were from Elizabeth Hansburg, Cesar Covarrubias, Susan Parks, Barry Ross, Rona Henry, and Rev. Kent Doss representing People for Housing Orange County, The Kennedy Commission, Orange County United Way, Providence, Welcoming Neighbors Home, and Tapestry regarding Public comment on filed appeals: Orange County Cities on January 12, 2021; from Katherine Kim regarding Public comment on filed appeal: Yorba Linda on January 12, 2021; from Mark Lee regarding public comment on filed appeal: Yorba Linda on January 12, 2021; and from Jackie Girgis regarding public comment on filed appeal: Yorba Linda on January 12, 2021. Verbal comments were provided by the following:

1. Nate Farnsworth, City of Yorba Linda in regard to Connect SoCal and RHNA Consistency
2. Council member Christian Horvath, City of Redondo beach, in regard to the appeal filed by the City of Redondo Beach

Seeing no further comments, Chair Huang closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEMS

Chair Huang indicated that per a request, she would reorder the agenda items for the day's session so that the City of Lawndale would be heard last.

ACTION ITEMS

1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations
 - 1.1. City of Agoura Hills
-

Denise Thomas provided a presentation on behalf of the City of Agoura Hills. Roland Ok provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of Agoura Hills to reduce the Draft RHNA Allocation by 106 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.2. City of Torrance

Danny Santana and Dave Barquist provided a presentation on behalf of the City of Torrance. Roland Ok provided the SCAG staff presentation. City staff provided brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Robertson) to deny the appeal filed by the City of Torrance to reduce its Draft RHNA Allocation by 2,700 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.3. City of Gardena

John Signo provided a presentation on behalf of the City of Gardena. Roland Ok provided the SCAG staff presentation. Mr. Signo provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Huang) to deny the appeal filed by the City of Gardena to reduce the Draft RHNA Allocation by 1,144 units. Motion was SECONDED (Robertson). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.5 City of Redondo Beach

Sean Scully and Brandy Forbes provided a presentation on behalf of the City of Redondo Beach. Roland Ok provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Finlay) to deny the appeal filed by the City of Redondo Beach to reduce the Draft RHNA Allocation by 1,539 or 1,279 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.6 City of Rancho Palos Verdes

Ken Rukavina and Elena Gerli provided a presentation on behalf of the City of Rancho Palos Verdes. Roland Ok provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) deny the appeal filed by the City of Rancho Palos Verdes (the City) to reduce the Draft RHNA Allocation by 1,144 units. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.7 City of Beverly Hills



Susan Healy Keene provided a presentation on behalf of the City of Beverly Hills. Ma'Ayn Johnson provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Ramirez) to deny the appeal filed by the City of Beverly Hills to reduce the Draft RHNA Allocation for the City of Beverly Hills by 1,486 units. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.4 City of Lawndale

Sean Moore provided a presentation on behalf of the City of Lawndale. Roland Ok provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Robertson) to deny the appeal filed by the City of Lawndale (the City) to reduce the Draft RHNA Allocation by 2,200 units. Motion was SECONDED (Betts). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

ADJOURNMENT

There being no further business, Chair Huang adjourned the RHNA Appeals Board meeting at 12:19 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE RHNA APPEALS BOARD]

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Southern California Association of Governments
Remote Participation Only
February 16, 2021

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD
MINUTES OF THE MEETING
FRIDAY, JANUARY 15, 2021

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA APPEALS BOARD. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The RHNA Appeals Board of the Southern California Association of Governments (SCAG) held its meeting telephonically and electronically, given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor's Executive Order N-29-20. A quorum was present.

Present

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)
Sup. Luis Plancarte, Imperial County (Alternate)

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary): **Vice Chair**

Representing Orange County

Hon. Wendy Bucknum, Mission Viejo, District 13 (Primary)

Representing Riverside County

Hon. Russell Betts, Desert Hot Springs, Pres. Appt. (Primary)
Hon. Rey Santos, Beaumont, District 3 (Alternate)

Representing San Bernardino County

Hon. Larry McCallon, Highland, District 7 (Alternate)

Representing Ventura County

Sup. Carmen Ramirez, Ventura County (Primary)
Hon. Mike T. Judge, Simi Valley, VCTC (Alternate)

Members Not Present

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Hon. Rex Richardson, Long Beach, District 29 (Alternate)
Hon. Peggy Huang, Yorba Linda, TCA (Alternate): **Chair**
Hon. Deborah Robertson, Rialto, District 8 (Primary)

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Vice Chair Margaret Finlay called the meeting to order at 9:05 a.m. Vice Chair Finlay asked Board Member Russell Betts, Desert Hot Springs, to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Vice Chair Finlay opened the Public Comment Period and outlined instructions for public comments.

Written comments received after the agenda was posted and before the 5pm deadline the day before the hearing were read into the public comment record from City of Pico Rivera by Luis Rodriguez Jr. regarding Comment from Jurisdiction on filed appeal: Pico Rivera on January 11, 2021; by Denelle Voegtly regarding Public comment on filed appeal: Yorba Linda on January 12, 2021; by Arivinder Mann regarding Public comment on filed appeal: Yorba Linda on January 12, 2021; from Hollywood Riviera Homeowners Association by Amy Josefek regarding Public comment on filed appeal: Torrance on January 13, 2021; from City of Newport Beach by Brad Avery regarding Response to comment from Public Law Center (12/10/20) on January 13, 2021; by Chris Dreike on RHNA Methodology on January 13, 2021; by Russell Khouri regarding Public comment on filed appeal: Rancho Santa Margarita on January 13, 2021; by Don Bernstein regarding Public comment on filed appeal: Yorba Linda on January 14, 2021; by Rhonda Lundberg regarding Public comment on filed appeal: Rancho Santa Margarita on January 14, 2021; from Orange County Business Council by Jennifer Ward regarding Public comment on filed appeals: Orange County Cities on January 14, 2021; from City of Yorba Linda by Todd O. Litfin regarding Comment from Jurisdiction on filed appeal: Yorba Linda on January 14, 2021; and lastly from City of Irvine by Pete Carmichael regarding Comment from Jurisdiction on filed appeal: City of Irvine on January 14, 2021. Verbal comments were provided by the following:

1. Holly Osborne, Redondo Beach, regarding Dataset used by SCAG for RHNA process
2. Alexis Mondares, Public Law Center to thank staff for their work
3. Jaime Murillo, City of Newport Beach regarding RHNA 5th cycle and 6th cycle allocations.

Seeing no further comments, Vice Chair Finlay closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEMS

Vice Chair Finlay prioritized the agenda as below:

- 1.1 (City of Santa Ana)
 - a. Garden Grove Appeal
 - b. Irvine Appeal
 - c. Newport Beach Appeal
 - d. Yorba Linda Appeal
- 1.5 (City of Yorba Linda)
- 1.2 (City of Irvine)
- 1.3 (City of Newport Beach)
- 1.4 (City of Garden Grove)

ACTION ITEM/s

- 1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations

- 1.1. City of Santa Ana

- a. City of Garden Grove

- Lisa Kim provided a presentation on behalf of the City of Garden Grove and requested an increase of Santa Ana's draft allocation of 3,087 units to 10,174 units.

- b. City of Irvine

- Bill Ihrke provided a presentation on behalf of the City of Irvine and requested respectfully that the City of Santa Ana RHNA allocation be increased by 10,000 units to a total of **13,087 units** to be consistent with the updated major residential development information publicly accessible on their website.

- c. City of Newport Beach

- Jaime Murillo provided a presentation on behalf of the City of Newport Beach and requested respectfully that the City of Santa Ana RHNA allocation be increased to be consistent with the updated major residential development information publicly accessible on their website.

- d. City of Yorba Linda

- Nate Farnsworth provided a presentation on behalf of the City of Yorba Linda and requested based on Santa Ana's updated 2045 household growth projections of 36,261, the RHNA calculator should be recalculated based on this updated data. It is assumed that this would result in Santa Ana's RHNA be increased to 26,141.

Kristine Ridge provided a presentation on behalf of the City of Santa Ana in response to the appeals filed on the jurisdiction.

Kevin Kane provided the SCAG staff presentation. City staff from the five cities each provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (McCallon) to deny the appeals filed by:

1. The City of Garden Grove to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle (requested increase of 7,087 units),
2. The City of Irvine to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle and the availability of land suitable for urban development or conversion to residential use (requested increase of 10,000 units),
3. The City of Newport Beach to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle and the availability of land suitable for urban development or conversion to residential use (requested increase of 7,087 units), and
4. The City of Yorba Linda to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle (requested increase of 23,167 units).

Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, MCCALLON, PLANCARTE, RAMIREZ (5)

NOES: NONE (0)

ABSTAIN: BUCKNUM (1)

1.5. City of Yorba Linda

Nate Farnsworth provided a presentation on behalf of the City of Yorba Linda. Kevin Kane provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Ramirez) to deny the appeal filed by the City of Yorba Linda to reduce the draft RHNA allocation for the City of Yorba Linda by 2,200 units. Motion was SECONDED (McCallon). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, MCCALLON, PLANCARTE, RAMIREZ, (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

The RHNA Appeals Board recessed the meeting for a break at 11:14 a.m. Due to a lack of quorum, the RHNA Appeals Board was not able to proceed. Appeals for 1.2 City of Irvine, 1.3 City of Newport Beach, and 1.4 City of Garden Grove were continued to a later date.

ADJOURNMENT

Due to a lack of quorum, the meeting was adjourned at 2:00 p.m. after the lunch break.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE RHNA APPEALS BOARD]

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Southern California Association of Governments
Remote Participation Only
February 16, 2021

**REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD
MINUTES OF THE MEETING
TUESDAY, JANUARY 19, 2021**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA APPEALS BOARD. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The RHNA Appeals Board of the Southern California Association of Governments (SCAG) held its meeting telephonically and electronically, given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor’s Executive Order N-29-20. A quorum was present.

Present

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary): **Vice Chair**

Representing Orange County

Hon. Wendy Bucknum, Mission Viejo, District 13 (Primary)

Hon. Peggy Huang, Yorba Linda, TCA (Alternate): **Chair**

Representing Riverside County

Hon. Russell Betts, Desert Hot Springs, Pres. Appt. (Primary)

Hon. Rey Santos, Beaumont, District 3 (Alternate)

Representing San Bernardino County

Hon. Deborah Robertson, Rialto, District 8 (Primary)

Hon. Larry McCallon, Highland, District 7 (Alternate)

Representing Ventura County

Sup. Carmen Ramirez, Ventura County (Primary)

Hon. Mike T. Judge, Simi Valley, VCTC (Alternate)

Members Not Present

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Sup. Luis Plancarte, Imperial County (Alternate)
Hon. Rex Richardson, Long Beach, District 29 (Alternate)

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Huang called the meeting to order at 9:04 a.m. Chair Huang asked Board Member Rey Santos, Riverside County, to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Chair Huang opened the Public Comment Period and outlined instructions for public comments.

Written comments received after the agenda was posted and before the 5pm deadline the day before the hearing were read into the public comment record. Written comments read into the record were by Cindy Gildersleeve regarding Public comment on filed appeal: Rancho Santa Margarita on January 14, 2021, by Merilyn Qian regarding Public comment on filed appeal: Yorba Linda on January 14, 2021 by Tiangang Qian regarding Public comment on filed appeal: Yorba Linda on January 14, 2021, by Colleen Kirtland regarding Public comment on filed appeal: Yorba Linda on January 14, 2021, from City of Huntington Beach by Nicolle Aubé regarding Public comment on filed appeal: City of Huntington Beach on January 15, 2021, by Holly Osborne regarding RHNA Methodology on January 15, 2021, from City of Rancho Santa Margarita by Cheryl Kuta regarding Public comment on filed appeal: Rancho Santa Margarita on January 15, 2021 and lastly from Public Law Center by Alexis Mondares and Richard Walker regarding Public comment on filed appeal: Huntington Beach on January 15, 2021. Verbal comments were provided by the following:

1. Holly Osborne, Redondo Beach in regard to RHNA Allocation Methodology

Seeing no further comments, Chair Huang closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEMS

Chair Huang indicated that the City of Newport Beach hearing session on January 15 was continued to today's session and would be heard at the end of the agenda.

ACTION ITEM/s

1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations

1.1. City of Fullerton

Matt Foulkes provided a presentation on behalf of the City of Fullerton. Roland Ok provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of Fullerton to reduce its draft RHNA allocation by 3,850 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

Alternate member Larry McCallon, Highland, District 7 stated he arrived to the meeting and could take over for Primary Member Deborah Robertson, Rialto, District 8, to represent San Bernardino County.

1.2. City of Laguna Hills

David Chantarangsu and Mark Sillings provided a presentation on behalf of the City of Laguna Hills. Roland Ok provided the SCAG staff presentation. City staff provided brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Bucknum) to partially approve the City of Laguna Hills request that its HQTA RHNA of 176 units be removed. Discussions continued by the RHNA Appeals Board. The Motion died due to a lack of a second.

A MOTION was made (Betts) to deny the appeal filed by the City of Laguna Hills to reduce the Draft RHNA Allocation for the City of Laguna Hills by 365 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, MCCALLON, RAMIREZ, VIEGAS-WALKER (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

1.3. City of Fountain Valley

Brian James provided a presentation on behalf of the City of Fountain Valley. Roland Ok provided the SCAG staff presentation. Mr. James provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to deny the appeal filed by the City of Fountain Valley to reduce the draft RHNA allocation for the City of Fountain Valley by 3,455 units. Motion was SECONDED (Betts). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, MCCALLON, RAMIREZ, VIEGAS-WALKER (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

Alternate member Rey Santos, Beaumont, District 3, took over for Primary member Russell Betts, Desert Hot Springs, representing Riverside County.

1.4. City of Huntington Beach – Continued to January 25, 2021

Michael Gates and Nicole Aube provided a presentation on behalf of the City of Huntington Beach. Roland Ok provided the SCAG staff presentation. City staff provided a brief rebuttal.

The RHNA Appeals Board recessed the meeting for a break at 11:26 a.m. and reconvened the meeting at 12:02 p.m.

The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations. The item was continued to a later date, which was later determined as January 25, 2021.

A MOTION was made (Viegas-Walker) to continue the appeal for the City of Huntington Beach to January 25, 2021. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: BUCKNUM, FINLAY, MCCALLON, RAMIREZ, SANTOS, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.5. City of La Palma

Cathy Graham provided a presentation on behalf of the City of La Palma. Karen Calderon provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) deny the appeal filed by the City of La Palma to reduce its Draft RHNA Allocation by 400 units. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: FINLAY, MCCALLON, RAMIREZ, SANTOS, VIEGAS-WALKER (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

1.6. City of Rancho Santa Margarita

Cheryl Kuta provided a presentation on behalf of the City of Rancho Santa Margarita. Ma'Ayn Johnson provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

Chair Huang stepped away from the meeting at 1:57 p.m. and Vice Chair Finlay chaired the meeting.

A MOTION was made (Ramirez) to deny the appeal filed by the City of Rancho Santa Margarita to reduce the Draft RHNA Allocation for the City of Rancho Santa Margarita by 426 units. Motion was SECONDED (Viegas- Walker). The motion passed by the following roll call votes:

AYES: FINLAY, MCCALLON, RAMIREZ, SANTOS, VIEGAS-WALKER (5)

NOES: NONE (0)

ABSTAIN: BUCKNUM (1)

1.7. City of Tustin

Justina Willcom and Hitta Mosesman provided a presentation on behalf of the City of Tustin. Ma'Ayn Johnson provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

Chair Huang returned to the meeting at 2:15 p.m. and chaired the meeting.

A MOTION was made (Viegas-Walker) to deny the appeal filed by the City of Tustin to reduce the Draft RHNA Allocation for the City of Tustin by 1,718 units. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: FINLAY, MCCALLON, RAMIREZ, SANTOS, VIEGAS-WALKER (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

1.8. City of Newport Beach

Jaimee Murillo provided a presentation on behalf of the City of Newport Beach. Roland Ok provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (McCallon) to deny the appeal filed by the City of Newport Beach to reduce the Draft RHNA Allocation for the City of Newport Beach by 2,408 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: FINLAY, MCCALLON, RAMIREZ, SANTOS, VIEGAS-WALKER (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

ADJOURNMENT

There being no further business, Chair Huang adjourned the RHNA Appeals Board meeting at 3:12 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE RHNA APPEALS BOARD]

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Southern California Association of Governments
Remote Participation Only
February 16, 2021

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD
MINUTES OF THE MEETING
FRIDAY, JANUARY 22, 2021

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA APPEALS BOARD. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The RHNA Appeals Board of the Southern California Association of Governments (SCAG) held its meeting telephonically and electronically, given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor's Executive Order N-29-20. A quorum was present.

Present

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)
Sup. Luis Plancarte, Imperial County (Alternate)

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary): **Vice Chair**

Representing Orange County

Hon. Wendy Bucknum, Mission Viejo, District 13 (Primary)
Hon. Peggy Huang, Yorba Linda, TCA (Alternate): **Chair**

Representing Riverside County

Hon. Russell Betts, Desert Hot Springs, Pres. Appt. (Primary)

Representing San Bernardino County

Hon. Deborah Robertson, Rialto, District 8 (Primary)

Representing Ventura County

Sup. Carmen Ramirez, Ventura County (Primary)

Members Not Present

Hon. Rex Richardson, Long Beach, District 29 (Alternate)

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Hon. Rey Santos, Beaumont, District 3 (Alternate)

Hon. Larry McCallon, Highland, District 7 (Alternate)

Hon. Mike T. Judge, Simi Valley, VCTC (Alternate)

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Huang called the meeting to order at 9:01 a.m. Chair Huang asked Supervisor Luis Plancarte, Imperial County, to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Chair Huang opened the Public Comment Period and outlined instructions for public comments.

Written comments received after the agenda was posted and before the 5pm deadline the day before the hearing were read into the public comment record. Written comments read into the record were received from Beth Heard on January 17, 2021 regarding Public comment on filed appeal: Rancho Santa Margarita; Alfred Twu on January 18, 2021 regarding Public comment on RHNA Allocation: Vernon and City of Industry; Holly Osborne on January 19, 2021 regarding RHNA Methodology; and public comment on filed appeal: Redondo Beach; and Tieira on January 21, 2021 regarding Public comment on RHNA Allocation: Santa Monica. Verbal comments were provided by the following:

1. Holly Osborne regarding an appeal filed by the City of Redondo Beach

Seeing no further comments, Chair Huang closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEMS

Chair Huang moved Mission Viejo last in the order.

ACTION ITEM/s

1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations

- 1.1. County of Orange (Unincorporated Areas)



Orange County Staff provided a presentation on behalf of the County of Orange. Roland Ok provided the SCAG staff presentation. Mr. Richard provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the County of Orange to reduce the draft RHNA allocation for the County of Orange (unincorporated areas) by 4,922 units. Motion was SECONDED (Robertson). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, PLANCARTE, RAMIREZ, ROBERTSON (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

Primary member Cheryl Viegas-Walker, El Centro, District 1, took over for Alternate member Luis Plancarte, Imperial County, to represent Imperial County.

1.2. City of Westminster

Alexa Smittle provided a presentation on behalf of the City of Westminster. Ma'Ayn Johnson provided the SCAG staff presentation. Mr. Scott Porter provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to deny the appeal filed by the City of Westminster to reduce the Draft RHNA Allocation for the City of Westminster by 8,526 units. Motion was SECONDED (Betts). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, RAMIREZ, VIEGAS-WALKER (4)

NOES: BUCKNUM, ROBERTSON (2)

ABSTAIN: NONE (0)

1.3. City of Costa Mesa

Jennifer Le provided a presentation on behalf of the City of Costa Mesa. Ma'Ayn Johnson provided the SCAG staff presentation. Ms. Jennifer Le provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to deny the appeal filed by the City of Costa Mesa to reduce their draft RHNA allocation by 5,867 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

The RHNA Appeals Board recessed the meeting for a break at 11:52 a.m. and reconvened the meeting at 12:15 p.m.

1.4. City of Laguna Beach

So Kim provided a presentation on behalf of the City of Laguna Beach. Karen Calderon provided the SCAG staff presentation. No rebuttal was provided. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Viegas-Walker) to deny the appeal filed by the City of Laguna Beach to reduce the draft RHNA allocation for the City of Laguna Beach by 278 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, RAMIREZ, ROBERTSON, VIEGAS-WALKER (4)

NOES: FINLAY, BUCKNUM (2)

ABSTAIN: NONE (0)

1.5. City of Los Alamitos

Ron Noda provided a presentation on behalf of the City of Los Alamitos. Karen Calderon provided the SCAG staff presentation. Mr. Noda provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Finlay) to Deny the appeal filed by the City of Los Alamitos to reduce the draft RHNA allocation for the City of Los Alamitos by 500 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, RAMIREZ, ROBERTSON, VIEGAS-WALKER (5)

NOES: BUCKNUM (1)

ABSTAIN: NONE (0)

1.7. City of Pico Rivera - Continued to January 25, 2021

Michael Garcia provided a presentation on behalf of the City of Pico Rivera. Karen Calderon provided the SCAG staff presentation. Mr. Garcia provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Ramirez) to grant the appeal based on the document from a federal source that there would be a massive loss of life. The motion was SECONDED (Robertson). Chair Huang clarified the motion which was to grant the city's appeal to reduce the RHNA allocation by 3,251 units from 3,939 units to 688 units based on the finding of the severe risk of life as documented and specified in the Army Corps of Engineers report and the evidence presented. Discussion continued amongst the RHNA Appeals Board.

A Substitute MOTION was made (Finlay) to continue this item to January 25, 2021 with the direction for SCAG staff and City staff to work over the weekend to recommend a reduction number. Motion was SECONDED (Betts). The Motion passed by the following roll call votes:

AYES: BETTS, BUCKNUM, FINLAY, RAMIREZ, VIEGAS-WALKER (5)

NOES: ROBERTSON (1)

ABSTAIN: NONE (0)

Primary member Wendy Bucknum recused herself from Agenda Item 1.6 City of Mission Viejo. Chair Huang as the Alternate member stepped in to represent Orange County,

1.6. City of Mission Viejo

Bill Curley provided a presentation on behalf of the City of Mission Viejo. Ma'Ayn Johnson provided the SCAG staff presentation. Mr. Curley provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.



A MOTION was made (Betts) to deny the appeal filed by the City of Mission Viejo to reduce the draft RHNA allocation for the City of Mission Viejo. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, RAMIREZ, ROBERTSON, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

ADJOURNMENT

There being no further business, Chair Huang adjourned the RHNA Appeals Board meeting at 2:34 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE RHNA APPEALS BOARD]

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Southern California Association of Governments
Remote Participation Only
February 16, 2021

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD
MINUTES OF THE MEETING
MONDAY, JANUARY 25, 2021

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE RHNA APPEALS BOARD. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The RHNA Appeals Board of the Southern California Association of Governments (SCAG) held its meeting telephonically and electronically, given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor's Executive Order N-29-20. A quorum was present.

Present

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary): **Vice Chair**

Representing Orange County

Hon. Peggy Huang, Yorba Linda, TCA (Alternate): **Chair**

Representing Riverside County

Hon. Russell Betts, Desert Hot Springs, Pres. Appt. (Primary)

Representing San Bernardino County

Hon. Larry McCallon, Highland, District 7 (Alternate)

Representing Ventura County

Sup. Carmen Ramirez, Ventura County (Primary)

Members Not Present

Sup. Luis Plancarte, Imperial County (Alternate)

Hon. Rex Richardson, Long Beach, District 29 (Alternate)

Hon. Wendy Bucknum, Mission Viejo, District 13 (Primary)

Hon. Rey SJ Santos, Beaumont, District 3 (Alternate)

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Hon. Deborah Robertson, Rialto, District 8 (Primary)
Hon. Mike Judge, Simi Valley, VCTC (Alternate)

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Huang called the meeting to order at 10:01 a.m. Chair Huang asked Board Member Larry McCallon, Highland, District 7, to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Chair Huang opened the Public Comment Period and outlined instructions for public comments.

Written comments received after the agenda was posted and before the 5pm deadline the day before the hearing were read into the public comment record. Written comments read into the record were received from Rhonda Lundberg, on the topic of public comment on filed appeal: Rancho Santa Margarita on January 22, 2021; and Holly Osborne on the topic of public comment on filed appeal: Redondo Beach on January 22, 2021. Verbal comments were provided by the following:

1. Holly Osborne regarding RHNA Methodology

Seeing no further comments, Chair Huang closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEMS

Chair Huang indicated that the City of Pico Rivera's item was continued from the January 22, 2021 hearing session to the end of today's agenda.

ACTION ITEM/s

1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations

- 1.1. City of Huntington Beach

Michael Gates provided a presentation on behalf of the city of Huntington Beach. Ma'Ayn Johnson and Philip Law provided the SCAG staff presentation. City staff provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Betts) to deny the appeal filed by the City of Huntington Beach to reduce the draft RHNA allocation for the City of Huntington Beach. Motion was seconded (McCallon). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, MCCALLON, RAMIREZ, VIEGAS-WALKER, (5)

NOES: HUANG (1)

ABSTAIN: NONE (0)

1.2. City of Irvine

Bill Ihrke provided a presentation on behalf of the City of Irvine. Ma'Ayn Johnson provided the SCAG staff presentation. Bill Ihrke provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (McCallon) to deny the appeal filed by the City of Irvine to reduce the draft RHNA allocation for the City of Irvine by 8,259 units. Motion was SECONDED (Ramirez). The motion passed by the following roll call votes:

AYES: BETTS, MCCALLON, RAMIREZ, VIEGAS-WALKER, (4)

NOES: FINLAY, HUANG (2)

ABSTAIN: NONE (0)

1.3. City of Garden Grove

Lisa Kim provided a presentation on behalf of the City of Garden Grove. Roland Ok provided the SCAG staff presentation. Nate Robbins provided a brief rebuttal. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Ramirez) to deny the appeal filed by the City of Garden Grove to reduce the Draft RHNA Allocation for the City of Garden Grove by 2,813 units. Motion was SECONDED (Viegas-Walker). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, MCCALLON, RAMIREZ, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

1.4. City of Pico Rivera

Michael Garcia provided a presentation on behalf of the City of Pico Rivera. Karen Calderon and Ma'Ayn Johnson provided the SCAG staff presentation. The RHNA Appeals Board asked follow up questions and discussed the submitted appeal and presentations.

A MOTION was made (Ramirez) to approve the modified appeal. Motion was SECONDED (Finlay). The motion passed by the following roll call votes:

AYES: BETTS, FINLAY, HUANG, MCCALLON, RAMIREZ, VIEGAS-WALKER (6)

NOES: NONE (0)

ABSTAIN: NONE (0)

ADJOURNMENT

There being no further business, Chair Huang adjourned the RHNA Appeals Board meeting at 12:01 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE RHNA APPEALS BOARD]

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**AGENDA ITEM 9
REPORT**

Southern California Association of Governments
Remote Participation Only
February 16, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Final Determination of Appeals Decisions

RECOMMENDED ACTION:

Consider and ratify the written determinations for the appeals submitted by the jurisdictions related to the Draft RHNA Allocation Plan, which appeals were heard and decided, at the close of public hearings, by the RHNA Appeals Board on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

Attached are the written determinations prepared by Special Counsel Patricia Chen regarding the forty-seven (47) appeal hearing proceedings that took place on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. The RHNA Appeals Board should review the written determinations and upon ratification by the RHNA Appeals Board, these determinations shall serve as the final determinations of the RHNA appeals submitted by the local jurisdictions pursuant to Government Code Section 65584.05(e)(1).

BACKGROUND:

On January 6, 8, 11, 13, 15, 19, 22, and 25, 2021, the RHNA Appeals Board held a public hearing to review appeals on forty-seven (47) jurisdictions that were filed to revise the 6th RHNA cycle draft allocation. Following the appeal hearing, SCAG must make a final determination on the appeal decisions made at the eight (8) sessions. Per Government Code Section 65584.05(e)(1):

(e) No later than 45 days after the public hearing pursuant to subdivision (d), the council of governments or delegate subregion, as applicable, shall do both of the following:

(1) Make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to subdivision (b). Final determinations shall be based upon the information and methodology described in Section 65584.04 and whether the revision is

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necessary to further the objectives listed in subdivision (d) of Section 65584. The final determination shall be in writing and shall include written findings as to how the determination is consistent with this article. The final determination on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.

As required by Section 65584.05(e)(2), SCAG must also issue a proposed Final RHNA Allocation Plan, which will include any redistribution that resulted from successfully appealed units. A proposed Final RHNA Allocation Plan based on the written final determinations for the appeals has been included as part of the February 16, 2021 agenda following the recommended action on the final determination.

NEXT STEPS

Staff recommends that the RHNA Appeals Board ratify the written determinations as the final determinations of the RHNA appeals submitted by the local jurisdictions pursuant to Government Code Section 65584.05(e)(1).

The proposed Final Allocation Plan is recommended for further recommendation by the Community, Economic and Human Development (CEHD) Committee for adoption by the Regional Council at a special meeting scheduled for February 23, 2021. Subsequent to the CEHD Committee action to recommend Regional Council approval of the Final RHNA Allocation Plan, the Plan is scheduled for adoption at a public hearing session of the Regional Council at their March 4, 2021 meeting.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Determination Regarding Appeal from the City of Agoura Hills
2. Determination Regarding Appeal from the City of Alhambra
3. Determination Regarding Appeal from the City of Barstow
4. Determination Regarding Appeal from the City of Bellflower
5. Determination Regarding Appeal from the City of Beverly Hills
6. Determination Regarding Appeal from the City of Cerritos
7. Determination Regarding Appeal from the City of Chino Hills
8. Determination Regarding Appeal from the City of Chino
9. Determination Regarding Appeal from the City of Costa Mesa
10. Determination Regarding Appeal from the City of Downey

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11. Determination Regarding Appeal from the City of El Monte
 12. Determination Regarding Appeal from the City of Fontana
 13. Determination Regarding Appeal from the City of Fountain Valley
 14. Determination Regarding Appeal from the City of Fullerton
 15. Determination Regarding Appeal from the City of Garden Grove
 16. Determination Regarding Appeal from the City of Gardena
 17. Determination Regarding Appeal from the City of Hemet
 18. Determination Regarding Appeal from the City of Huntington Beach
 19. Determination Regarding Appeal from the City of Huntington Park
 20. Determination Regarding Appeal from the City of Irvine
 21. Determination Regarding Appeal from the City of La Mirada
 22. Determination Regarding Appeal from the City of La Palma
 23. Determination Regarding Appeal from the City of Laguna Beach
 24. Determination Regarding Appeal from the City of Laguna Hills
 25. Determination Regarding Appeal from the City of Lakewood
 26. Determination Regarding Appeal from the City of Lawndale
 27. Determination Regarding Appeal from the City of Los Alamitos
 28. Determination Regarding Appeal from the City of Mission Viejo
 29. Determination Regarding Appeal from the City of Newport Beach
 30. Determination Regarding Appeal from the City of Pasadena
 31. Determination Regarding Appeal from the City of Pico Rivera
 32. Determination Regarding Appeal from the City of Rancho Palos Verdes
 33. Determination Regarding Appeal from the City of Rancho Santa Margarita
 34. Determination Regarding Appeal from the City of Redondo Beach
 35. Determination Regarding Appeal from the City of San Dimas
 36. Determination Regarding Appeal from the City of San Fernando
 37. Determination Regarding Appeal from the City of San Gabriel
 38. Determination Regarding Appeal from the City of Santa Ana
 39. Determination Regarding Appeal from the City of South Gate
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**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF AGOURA HILLS

Hearing Date: January 13, 2021

The City of Agoura Hills has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Section 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins ((See Section 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology,

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Agoura Hills submits an appeal and requests a RHNA reduction of 106 units (of its draft allocation of 318 units). The grounds for appeal are as follows:

Change in Circumstance – Effects from the Woolsey Fire, which occurred in November 2018.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 13, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011321fullagn.pdf?1609982784>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board denies the appeal on the bases set forth in the staff report which are summarized as follows:

¹¹ Note that since the staff reports were published in the agenda packet, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

The City contends that while the Woolsey Fire occurred in November 2018 (within the timeframe within which input opportunities remained for the City regarding Connect SoCal and the RHNA methodology), two reports concerning the fire were published after April 2019 and constitute a changed circumstance. Both reports describe anticipated wildfire threats facing California and prescribe de-prioritizing residential development in areas of extreme risk and prioritizing infill development and overall housing production in more urban and low-risk regions. The City provided a CalFire map indicating that approximately two-thirds of the jurisdiction is classified as a Very High Fire Hazard Severity Zone (VHFHSZ), justifying the reduction of the draft RHNA allocation by two-thirds. However, no evidence is provided to demonstrate the assertion that Draft RHNA Allocation cannot be accommodated in the urban core where the City indicates it will concentrate planned development.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 13, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager II,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Agoura Hills

RECOMMENDATION:

Deny the appeal filed by the City of Agoura Hills to reduce the Draft RHNA Allocation by 106 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Agoura Hills requests a reduction of its RHNA allocation by 106 units (from 318 units to 212 units) based on changed circumstances, specifically from reports of effects from the Woolsey Fire, which occurred in November 2018.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Agoura Hills’ RHNA allocation.

The City contends that while the Woolsey Fire occurred in November 2018 (within the timeframe within which input opportunities remained for the City regarding Connect SoCal and the RHNA methodology), two reports concerning the fire were published after April 2019 and constitute a changed circumstance. Both reports describe anticipated wildfire threats facing California and prescribe de-prioritizing residential development in areas of extreme risk and prioritizing infill development and overall housing production in more urban and low-risk regions. The City provided a CalFire map indicating that approximately two-thirds of the jurisdiction is classified as a Very High Fire Hazard Severity Zone (VHFHSZ), justifying the reduction of the draft RHNA allocation by two-thirds. However, no evidence is provided to demonstrate the assertion that Draft RHNA Allocation

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Agoura Hills (Final Determination of Appeals Decisions)

cannot be accommodated in the urban core where the City indicates it will concentrate planned development.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, the City of Agoura Hills received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Agoura Hills: 318 units

Very Low Income: 127 units

Low Income: 72 units

Moderate Income: 55 units

Above Moderate Income: 64 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Agoura Hills. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Changed circumstances [Government Code Section 65584.05(b)].***

Agoura Hills contends that because two-thirds of the City is designated by CAL FIRE as a Very High Fire Hazard Severity Zone (VHFHSZ), the City's total RHNA allocation should be reduced by one-third. This would reduce the City's total RHNA allocation by 106 units, from 318 to 212 units. Agoura Hills argues that this reduction will allow the City to concentrate planned housing in the urbanized core, where there is a lower fire risk, and thereby prioritize infill development, encourage the protection of environmental resources, and seek to promote land use patterns that reduce greenhouse gas emissions.

SCAG Staff Response: SCAG does not dispute that the City (and other jurisdictions) are in areas that are at risk of wildfires. However, pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,’ as expressed in 65584.04(e)(2)(b), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of ‘available’ land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

The Woolsey Fire occurred in November 2018, prior to the April 30, 2019 survey deadline for information considered by the Draft RHNA Methodology. The nine housing units lost in Agoura Hills in the Woolsey Fire were therefore accounted for in the Draft RHNA Methodology replacement need. The two reports cited in the City's appeal that constitute a changed circumstance make the case for strengthening land use practices and de-prioritizing new development in areas of the most extreme fire risk. As both the CAL FIRE map (See Attachment 2) and the appeal indicate, the urbanized core of Agoura Hills is not designated as a high fire risk zone. The City has not provided evidence that an agency or organization such as the California Department of Forestry and Fire Protection or FEMA has determined housing is unsuitable in these areas. Additionally, Agoura Hills has not provided evidence that it cannot plan for its assigned Draft RHNA Allocation in the urbanized core, which the City described as more suitable for future housing development and is at lower risk for wildfires.

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's Draft RHNA Allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Attachment 1_Local Input and Development of Draft RHNA Allocation (City of Agoura Hills)
2. Attachment 2_Appeal Form and Supporting Documentation
3. Attachment 3_Data Input & Verification Form (City of Agoura Hills)
4. Attachment 4_HCD final 6th Cycle Housing Need Determination for the SCAG Region
5. Attachment 5_Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Agoura Hills had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Agoura Hills Draft RHNA Allocation.

1. Local Input

a. *Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS and later referred to as Connect SoCal) and the 6th cycle of RHNA.¹ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.² While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Agoura Hills, the anticipated number of households in 2020 was 7,655 and in 2030 was 8,069 (growth of 414 households). In March 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

¹ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

² A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Input from the City of Agoura Hills on the growth forecast was received on September 19, 2018. Following input, household totals were 7,496 in 2020 and 7,656 in 2030, for a reduced household growth during this period of 160.

b. Submitted RHNA methodology surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The Agoura Hills submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at: <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. The City of Agoura Hill's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.³ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

³ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Final RHNA Methodology and Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the Covid-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Agoura Hills received its Draft RHNA Allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocations for the City of Agoura Hills as summarized in the data and in the tables below.

City of Agoura Hills Statistics and Inputs		Calculation of Draft RHNA Allocation for Agoura Hills	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	132	Forecasted household (HH) growth, RHNA period:	132
Percent of households who are renting:	26%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	3
Housing unit loss from demolition (2009-18):	9	Replacement Need:	9
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	436	TOTAL PROJECTED NEED:	144
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	4.62%	Existing need due to job accessibility (50%):	159
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	464,000	Existing need due to HQTa pop. share (50%):	0
Share of region's job accessibility (population weighted):	0.04%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	15
Jurisdiction's HQTa population (2045):	-	TOTAL EXISTING NEED:	173
Share of region's HQTa population (2045):	0.00%	TOTAL RHNA FOR THE CITY OF AGOURA HILLS:	318
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	127
Share of population in very high-resource tracts:	100.00%	Low income (50-80% of AMI):	72
Social equity adjustment:	180%	Moderate income (80-120% of AMI):	55
		Above moderate income (>120% of AMI)	64

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 0 living within HQTAs, the City of Agoura Hills represents 0.00% of the SCAG region’s HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Agoura Hill’s median TAZ, it will be possible to reach 4.62% of the region’s jobs in 2045 within a 30-minute automobile commute (464,000 based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 15 units assigned to the Agoura Hills

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF ALHAMBRA

Hearing Date: January 11, 2021

The City of Alhambra has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Alhambra submits an appeal and requests a RHNA reduction of 3,490 units (of its draft allocation of 6,808 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA
2. Existing or projected jobs-housing balance
3. Availability of land suitable for urban development or for conversion to residential use
4. The region's greenhouse gas (GHG) emissions targets
5. Affirmatively furthering fair housing
6. Change in circumstances

Other: The City also challenges the regional determination.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 11, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011121fullagn_0.pdf?1609868354). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

C. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted Final RHNA Methodology for the 6th Cycle RHNA, sufficient evidence was not provided to support the claims of a misapplication of the adopted RHNA methodology.
- 2) Regarding existing or projected jobs-housing balance, jobs-housing balance is already addressed in the Final RHNA Methodology and is assessed at the regional, not jurisdictional level.
- 3) Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 4) Regarding the region's greenhouse gas (GHG) emissions targets, Connect SoCal has demonstrated achievement of all applicable regional GHG emission reduction targets set by the California Air Resources Board (CARB). The adopted RHNA Methodology allocates housing to jurisdictions in a manner that is consistent with the Connect SoCal development pattern. In addition, the 6th cycle RHNA does not change the population forecast from Connect SoCal either in 2029 (end of RHNA period), or for any year during the Connect SoCal growth forecast, including 2035, for which Connect SoCal is required to meet the applicable regional GHG emission reduction target.
- 5) Regarding Affirmative furthering fair housing, the Final RHNA Methodology accounts for local income disparities through the application of a social equity adjustment and the inclusion of access to resources as an influencing factor.
- 6) Regarding change in circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore,

impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

- 7) Other: The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Michael Gainor, Senior Regional Planner,
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Alhambra

RECOMMENDED ACTION:

Deny the appeal filed by the City of Alhambra (the City) to reduce its Draft RHNA Allocation from its current allocation of 6,808 units to 3,318 units, a reduction of 3,490 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

SUMMARY OF APPEAL:

The City of Alhambra requests a reduction of its RHNA allocation by 3,490 units from its current allocation of 6,808 residential units to 3,318 units (51.3 percent) based on the following six issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA
- 2) Existing or projected jobs-housing balance
- 3) Availability of land suitable for urban development or for conversion to residential use
- 4) The region’s greenhouse gas (GHG) emissions targets
- 5) Affirmatively furthering fair housing
- 6) Change in circumstances

Other: The City also challenges the regional determination.

RATIONALE FOR STAFF RECOMMENDATION:

SCAG staff have reviewed the appeal and recommend no change to the City of Alhambra’s draft RHNA allocation.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Alhambra (Final Determination of Appeals Decisions)

Issue 1: The appeal based on the failure of the adopted Final RHNA Methodology to appropriately account for local factors regarding local constraints for future residential development, such as open space deficits, incompatible industrial uses, environmental contamination, and high levels of existing density, is not accepted because sufficient evidence was not provided to support the claims of a misapplication of the adopted RHNA methodology.

Issue 2: The appeal based on impacts to regional jobs/housing balance is not accepted because jobs/housing balance is already addressed in the RHNA methodology and is assessed at the regional, not jurisdictional level.

Issue 3: The appeal based on the availability of land suitable for urban development is not accepted because the consideration of the availability of land suitable for urban development must include other types of land use opportunities other than vacant land.

Issue 4: The appeal based on potential conflict with SCAG's regional greenhouse gas (GHG) emission reduction goals is not accepted because Connect SoCal has demonstrated achievement of all applicable regional GHG emission reduction targets set by the California Air Resources Board (CARB). The adopted RHNA Methodology allocates housing to jurisdictions in a manner that is consistent with the Connect SoCal development pattern. In addition, the 6th cycle RHNA does not change the population forecast from Connect SoCal either in 2029 (end of RHNA period), or for any year during the Connect SoCal growth forecast, including 2035, for which Connect SoCal is required to meet the applicable regional GHG emission reduction target.

Issue 5: The appeal based on factors related to 'Affirmatively Further Fair Housing' (AFFH) is not accepted because the RHNA methodology accounts for local income disparities through application of a social equity adjustment and the inclusion of access to resources as an influencing factor.

Issue 6: The appeal based on a change in circumstances related to the COVID-19 pandemic is not accepted because evidence was not provided that the City has been disproportionately burdened by the pandemic relative to other jurisdictions in the SCAG region.

Other: The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the RHNA allocation for the City of Alhambra is provided below.

Total RHNA Allocation for the City of Alhambra: 6,808 units

Very Low Income: 1,769 units

Low Income: 1,033 units

Moderate Income: 1,077 units

Above Moderate Income: 2,929 units

Additional background information related to the draft RHNA allocation for the City of Alhambra is provided in Attachment 1.

Summary of Comments Received During 45-day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed by the City of Alhambra. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:**Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].**

The City contends that the adopted Final RHNA Methodology fails to appropriately account for local factors regarding constraints to future residential development, such as open space deficits, incompatible industrial uses, environmental contamination, high levels of existing density, and energy reliability. Additionally, the appeal asserts that the City is not a high-resourced community and should not receive a residual need that exempted low-resourced communities from “residual” existing need in the Final RHNA Methodology.

SCAG Staff Response: The adopted Final RHNA Methodology is not the basis for an appeal. An appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region including anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes in detail the RHNA data sources and how they are calculated.

On January 13, 2020, the Draft RHNA Methodology was found by HCD to further the five statutory RHNA objectives¹, in large part due to its use of objective factors. As such, SCAG is not permitted to consider these factors differently from one jurisdiction to another. The reliance on locally reviewed data ensures that the regional planning process accurately reflects local conditions, including existing planning opportunities and constraints.

While the City argues in its appeal that Alhambra’s job and transit accessibility factors have been overstated, sufficient supportive evidence has not been provided to suggest that any of the input data used in the RHNA methodology was incorrect. Specifically, the City asserts that there are no

¹ The five RHNA objectives are: 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 (GHG) reduction 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; and 5) Affirmatively furthering fair housing (Govt. Code § 65584(d)).

properties within one-half mile of a major transit stop, yet it does not provide any data-based evidence or documentation to support a dispute to the number of households within the jurisdiction that have access to transit as determined in the adopted Final RHNA Methodology. The City of Alhambra's forecast of 2045 'High Quality Transit Area' (HQTA) population (81,862), and its share of 2045 regional jobs which may be accessed within a 30-minute AM peak period automobile commute time (15.85%), are the two major inputs to the existing need portion of the methodology.

The City of Alhambra also asserts in its appeal that the City struggles with energy reliability due to decisions made by its energy provider and that "residential development at the scale required to meet the City's draft RHNA allocation far exceeds any of SoCal Edison's projections for future capacity." The appeal states that the City's draft RHNA allocation will exacerbate this issue. However, energy reliability is not one of the factors adopted as part of the Final RHNA Methodology.

While the City asserts that local factors were not adequately considered in the adopted RHNA methodology, the adopted Final RHNA Methodology itself is not subject to appeal. Moreover, the City does not present sufficient supporting evidence to indicate an error in SCAG's application of the adopted Final RHNA Methodology in the determination of the City's draft RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the City's RHNA allocation based on the application of the Final RHNA Methodology.

Issue 2: Existing or projected jobs-housing balance [Government Code Section 65584.04(e)(1)].

The City contends that the RHNA methodology was improperly applied in the assessment of the City's access to transit and proximity to employment centers, resulting in an overstatement of its existing housing needs. The City has comparable commute times to other Los Angeles County jurisdictions but has a higher percentage of single-occupancy drivers than the County as a whole. The City's draft RHNA allocation would therefore negatively impact the regional jobs-housing relationship.

SCAG Staff Response: As discussed in the preceding section, the adopted RHNA Methodology is not an eligible basis for appeal. The RHNA process, as defined in Government Code section 65584 *et seq.*, and as discussed above, specifies that a council of government's regional housing needs allocation plan shall further five objectives. While transit accessibility is not explicitly referenced, promoting housing development based on a jurisdiction's population residing within an HQTA is consistent with objectives related to the promotion of infill development and improving intraregional jobs-housing relationships.

Jobs-housing balance is most effectively assessed at the regional scale, extending beyond the boundaries of any individual jurisdiction. Over 80 percent of workers in the SCAG region live and work in different jurisdictions, a figure that accounts for those who work from home. This requires

an approach to the region's jobs-housing relationship based on an assessment of access to regional jobs rather than on the number of jobs located within a particular jurisdiction. Limiting the scope of a jobs-housing balance evaluation to an individual jurisdiction's boundaries may effectively worsen a regional jobs-housing imbalance. Since the Final RHNA Methodology's job accessibility factor already assesses this at a regional scale and the City does not provide evidence challenging the share of 2045 regional jobs which may be accessed within a 30-minute AM peak period automobile commute time (15.85%) used in the methodology, SCAG staff does not recommend a reduction to the City's draft RHNA allocation based on this factor.

Issue 3: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City of Alhambra argues that it has limited availability of suitable land for urban development or conversion to residential use. The City has significant constraints for future residential development, including a lack of available open space, incompatible industrial uses, land use restrictions related to environmental contamination, and high levels of existing density that preclude it from further increasing density to accommodate its draft RHNA allocation. The City has indicated that it has limited opportunities for lot consolidation or rezoning to accommodate its draft RHNA allocation. Specifically, the City states that, according to its 5th RHNA cycle housing element, it has only 53.7 acres of vacant and underutilized land to accommodate its draft RHNA allocation.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use”, as expressed in 65584.04(e)(2)(B), is not restricted only to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities should be considered components of ‘available’ land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City should consider other land use opportunities for residential development. This includes underutilized land, opportunities for infill development and increased residential densities, alternative zoning, and accessory dwelling units. Alternative development opportunities should be explored further to provide the land use capacity needed to zone for the City's projected growth.

Note that while zoning and capacity analysis may be used to meet RHNA need, these tools should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected, is independent of zoning and other related land use restrictions, and in some cases may be exacerbated by these restrictions. Therefore, land use capacity that is restricted by factors unrelated to existing or projected housing need may not be used to determine existing or projected housing need. Additionally, while SCAG encourages the City to consider land still available as identified in its 5th cycle housing element, its 6th cycle housing element should not be limited only to what was identified in a prior cycle. For these reasons, SCAG staff does not recommend a reduction to the City of Alhambra's draft RHNA allocation based on this factor.

Issue 4: The region's greenhouse gas emissions targets [Government Code Section 65584.04(e)(12)].

The City contends that its current draft RHNA allocation would encourage longer commute times and increase vehicle miles traveled, which conflicts with the State's greenhouse gas (GHG) emissions reduction goals. Specifically, the City asserts that Alhambra's single-occupant vehicle commute share is higher than the Los Angeles County average.

SCAG Staff Response: As discussed in Issue 1 and below, the adopted Final RHNA Methodology is not an eligible basis for appeal. Data from SCAG's 2020 Regional Transportation Plan and Sustainable Community Strategy (Connect SoCal) was used to inform how the RHNA methodology furthers this objective. As described in Attachment 1, a substantial portion of Alhambra's draft RHNA allocation results from its location near future employment and transit. The median Alhambra resident in 2045 may expect to be able to access 1,592,000 jobs within a 30-minute commute time, which is in the top one-third of jurisdictions regionally. While this is not as high as some jurisdictions (the City of Commerce leads the region with being able to reach 2,342,000 jobs), the units assigned to Alhambra based on this factor are commensurate with its level of job access. Since approximately 37 percent of statewide GHG emissions are generated by transportation sources, and 21 percent of travel is job related, additional residential development in locations which score high on the job accessibility measure provides an important tool toward achieving regional GHG emission reduction targets.

Connect SoCal specifically provides a regional plan for reducing travel related GHG emissions by employing land use policies at the regional level. While SCAG acknowledges the potential for an increase in the City's per capita GHG emissions if the 6,808 units allocated for Alhambra are developed, planning for this development in a manner that is consistent with the development patterns defined in Connect SoCal would reduce region-wide GHG impacts by placing these units in areas that are close to jobs and transit. In addition, HCD's regional determination is largely based on measures of existing need (overcrowding) rather than regional population growth. As such, much of the RHNA allocation intends to accommodate current population. Since Connect SoCal's modeling

of regional travel indicates that Alhambra scores relatively highly in terms of job accessibility, increased housing stock in Alhambra (compared to other locations with poorer job access) would improve regional GHG performance, which is a statutory objective of RHNA. For this reason, SCAG staff does not recommend a reduction to Alhambra's draft RHNA allocation based on this factor.

Issue 5: Affirmatively furthering fair housing.

The City contends that the RHNA methodology overstates the City's existing housing needs and does not affirmatively further fair housing. The City already has a disproportionately high percentage of lower income households and has a lower median income than the Los Angeles County average. Some of its share of existing housing need should therefore be reallocated to higher-resource jurisdictions to provide more equity and to better reflect the region's obligation to affirmatively further fair housing.

SCAG Staff Response: As discussed in Issue 1 and below, a challenge to the adopted RHNA methodology is not an eligible basis for appeal. One of the five objectives of RHNA law is to ensure that the RHNA allocation plan allocates "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". The adopted RHNA methodology addresses this disparity through its social equity adjustment and inclusion of access to resources as an influencing factor.

To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing (AFFH), the RHNA Methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. Rather than using an individual jurisdiction's median household income as a basis, the RHNA methodology uses the county median income as the benchmark to determine household income distribution among the four RHNA income categories for each jurisdiction. The result is that jurisdictions that have a higher concentration of lower income households than the county average will receive lower percentages of RHNA for the lower income categories. While Alhambra provides data indicating its household income is lower than the County average, the RHNA methodology reflects this and it is not inconsistent with the data provided by the City.

Households by Income Category, SCAG RHNA Methodology
(2017 American Community Survey 5-year sample)

Jurisdiction	Very-Low Income	Low Income	Moderate	Above Moderate
Los Angeles County	26%	15%	16%	43%
Alhambra	29%	15%	17%	39%

For this reason, SCAG staff does not recommend a reduction to Alhambra’s draft RHNA allocation based on this factor.

Issue 6: Changed Circumstances [Government Code 65584.05(b)].

The City’s appeal indicates that the COVID-19 pandemic has resulted in a significant change of circumstance relative to the development of new housing and increasing residential densities. Creating more housing, specifically higher density housing, limits the ability to maintain appropriate levels of social distancing needed to control disease spread. Alhambra is already quite dense and lacks adequate open space. New housing opportunities would be better developed elsewhere where these needs may be met.

SCAG Staff Response: SCAG’s Regional Council delayed adoption of Connect SoCal by 120 days in order to provide adequate time to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19. However, Connect SoCal’s long-range (2045) forecasts for these variables remained unchanged. The Connect SoCal ‘Demographics and Growth Forecast’ Technical Report² outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, including the SCAG region’s share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term economic competitiveness or employment outlook for 2023-2045. As such, SCAG’s assessment of comparable data does not suggest long-range regional employment declines.

The COVID-19 pandemic has produced significant impacts throughout Southern California. However, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in regional demand for housing or housing need. Southern California home prices have continued to increase (+2.6 percent from August to September 2020), led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation covers an eight-year planning period and is not unduly influenced by immediate or near-term impacts.

² See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that Alhambra's housing need has been disproportionately impacted relative to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the City of Alhambra's draft RHNA allocation in response to this factor.

Other: The City challenges the regional determination.

While not an eligible basis for appeal, the City of Alhambra indicates that the overall regional RHNA determination resulting in a total allocation of 1.34 million new housing units in the SCAG region was flawed and is inconsistent with the legal requirements imposed by Government Code Section 65584.01(a).

SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not an eligible basis for appeal per adopted RHNA Appeals Procedures, and it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination.

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. HCD did not materially change the regional determination following SCAG's formal objection filed on September 18, 2019, and there are no further mechanisms provided for in statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process—namely the adoption of a final RHNA methodology, conducting an appeals process, and issuing final RHNA allocations.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Alhambra)
2. City of Alhambra RHNA Appeal Request Form
3. Map of High Quality Transit Areas in the City of Alhambra (2045)
4. Map of Job Accessibility in the City of Alhambra (2045)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment describes the nature and timing of the opportunities the City of Alhambra had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the 2020 RTP/SCS (Connect SoCal) Growth Vision. It also describes the process by which the RHNA methodology development process integrated this information to develop the City of Alhambra’s Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data in preparation for development of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal) and the 6th cycle of RHNA.³ Each local jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for review and revision, which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were also accepted and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Alhambra, the anticipated number of households in 2020 was 30,391 and in 2030 was 31,329 (growth of 938 households). In February 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of

³ While the RTP/SCS and RHNA share some common data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoning capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1:

https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book:

<https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Alhambra on the growth forecast was received in October 2018. Following input, household totals were 30,304 in 2020 and 31,070 in 2030⁵, for a reduced household growth during this period of 766.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Alhambra submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

2. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region's GHG reduction targets, as provided by the California Air Resources Board (CARB) in accordance with state planning law.

Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections, may be found at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay

⁵ The City provided the attached data verification form but did not provide a 2030 households value. This final Connect SoCal figure was derived based on the 2035 household total of 31,410 which was provided in this form and is a reduction from SCAG's preliminary 2035 household total of 31,745.

full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at: <http://spmdm.scag.ca.gov>.

Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Alhambra that differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be

used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology, which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: 'projected need', which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period; and 'existing need', which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁶ Furthermore, the adopted Final RHNA Methodology utilizes measures of 2045 job accessibility and 'High Quality Transit Area' (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data obtained through the Connect SoCal Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

⁶ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing need in the current population (existing need) and would not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.



<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Alhambra

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Alhambra received its draft RHNA allocation on September 11, 2020. Application of the adopted RHNA methodology yields the draft RHNA allocation for the City of Alhambra, as summarized in the data and calculations featured in the table below.

City of Alhambra Statistics and Inputs		Calculation of Draft RHNA Allocation for Alhambra	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	632	Forecasted household (HH) growth, RHNA period:	632
Percent of households who are renting:	60%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	23
Housing unit loss from demolition (2009-18):	69	Replacement Need:	69
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,793	TOTAL PROJECTED NEED:	724
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	15.85%	Existing need due to job accessibility (50%):	2,218
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,592,000	Existing need due to HQTa pop. share (50%):	3,341
Share of region's job accessibility (population weighted):	0.53%	Net residual factor for existing need:	525
		<i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTa population (2045):	81,862	TOTAL EXISTING NEED:	6,085
Share of region's HQTa population (2045):	0.80%	TOTAL RHNA FOR THE CITY OF ALHAMBRA:	6,808
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	1,769
Share of population in very high-resource tracts:	6.32%	Low income (50-80% of AMI):	1,033
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	1,077
		Above moderate income (>120% of AMI):	2,929

The transit accessibility measure is based on the population anticipated to live within ‘High Quality Transit Areas’ (HQTAs) in 2045 based on Connect SoCal’s designation of HQTAs and population forecasts. With a forecasted 2045 population of 81,862 living within HQTAs, the City of Alhambra will account for 0.80 percent of the SCAG region’s total 2045 HQTA population, which provides the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction’s share of regional jobs that are accessible within a 30-minute commute time. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached within a 30-minute automobile commute time from a local jurisdiction’s median TAZ is used to allocate housing units based on the job accessibility factor. From the City of Alhambra’s median TAZ, it will be possible to reach 15.85 percent of the region’s jobs in 2045 within a 30-minute automobile commute (1,592,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered ‘Disadvantaged Communities’ (DACs) based on access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as ‘residual need’, is then reallocated to non-DAC jurisdictions in order to ensure that new housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 525 units assigned to the City of Alhambra.

Please note that the above discussion represents only a partial description of the key data and calculations featured in the adopted RHNA allocation methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF BARSTOW

Hearing Date: January 6, 2021

The City of Barstow has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- “(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.
- (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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Barstow submits an appeal and requests a RHNA reduction of 635 units (of its draft allocation of 1,516 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) - objects SCAG's adopted RHNA methodology and provides an alternative methodology which considers the City's average population growth over ten years and average household size.
- 2) Affirmatively Furthering Fair Housing (AFFH) - the City's share of very low-income households already exceeds one-third of its total population, and therefore, the City should receive a RHNA reduction.
- 3) High housing cost burdens - state housing legislation requiring the installation of solar panels, electric vehicle hookups, and fire sprinklers in non-fire prone areas, increases the cost of building housing.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 6, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010621fullagn.pdf?1609379165>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) The City's objection to the adopted Final RHNA Methodology developed for the 6th Cycle RHNA, and proposal of an alternative methodology to reflect the City's unique circumstances, may not be considered a basis for appeal. An appeal citing the application of the adopted Final RHNA Methodology as its basis must refer to the application of the methodology, not the methodology itself.
- 2) The City's request to reduce their RHNA allocation based on AFFH factors, was already addressed through the application of the social equity adjustment, which had been included in the City's Draft RHNA Allocation.
- 3) The high housing cost burden factor refers to households paying more than 30 percent of their income in rent, not to the cost of construction. Cost burdens associated with new housing development may not be considered by SCAG as a justification for a reduction since the RHNA allocation does not establish a building quota and does not impede the City from the use of alternative zoning strategies to accommodate its allocated housing need.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 6, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Michael Gainor, Senior Regional Planner,
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Barstow

RECOMMENDED ACTION:

Deny the appeal filed by the City of Barstow (the City) to reduce its Draft RHNA Allocation by 635 housing units, from 1,516 units to 881 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Barstow requests a reduction of its RHNA allocation by 635 units (from 1,516 units to 881 units) based on the following issues:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029)
2. Affirmatively Furthering Fair Housing (AFFH)
3. High housing cost burdens

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Barstow’s Draft RHNA Allocation. The City’s first issue, which is an objection to the adopted Final RHNA Methodology developed for the 6th Cycle RHNA, and proposal of an alternative methodology to reflect the City’s unique circumstances, may not be considered a basis for appeal. Issue 2, the City’s request to reduce their RHNA allocation based on AFFH factors, was already addressed through the application of the social equity adjustment, which had been included in the City’s Draft RHNA Allocation. Lastly, the City’s third issue regarding the consideration of high cost burdens associated with new housing development, may not be considered by SCAG as a justification for a reduction since the RHNA allocation does not establish a building quota and does not impede the City from the use of alternative zoning strategies to accommodate its allocated housing need.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Barstow (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following adoption of the Final RHNA Methodology on March 5, 2020 and adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the Draft RHNA Allocation for the City of Barstow is provided below.

Total RHNA for the City of Barstow: 1,516 units

- Very Low Income: 171 units
- Low Income: 227 units
- Moderate Income: 299 units
- Above Moderate Income: 819 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Barstow. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(1)].

The City of Barstow is requesting a modification of its RHNA allocation based on its objection to SCAG's adopted RHNA methodology. The City provided an alternative methodology which includes

consideration of the City's average percentage of population growth over ten years and average household size. Assuming an optimistic one percent population growth rate for the city, Barstow is requesting a revised RHNA allocation of 881 units (60 very low income, 60 low income, 234 moderate income, and 527 above moderate income), representing a 635-unit reduction from its Draft RHNA Allocation.

SCAG Staff Response: Please see staff report Attachment #1, 'Local Input and Development of Draft RHNA Allocation', which describes the extent of local engagement and the opportunities provided to local jurisdictions to participate in the development of the RHNA methodology. The Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region; for example, anticipated household growth, access to jobs and transit, and housing vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory RHNA objectives¹ in large part due to its use of objective factors and, as such, SCAG may not consider factors differently in one jurisdiction versus another.

An appeal citing the adopted RHNA methodology as its basis must refer to the application of the methodology, not the methodology itself. An example of an improper application of the adopted RHNA methodology might be a data error which was identified by a local jurisdiction. The City of Barstow has not provided evidence of such a data error or any other misapplication of the adopted RHNA methodology, and therefore, the City may not appeal under this basis. Moreover, appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology and supported by adequate documentation. The basis for the City's proposed alternative allocation methodology and supporting data does not meet this requirement. Finally, the City has failed to explain why its proposed revision is necessary to further the intent of the objectives listed in Government Code section 65584(d). For these reasons, SCAG staff does not recommend a reduction to Barstow's draft RHNA allocation based on this issue.

Issue 2: Affirmatively furthering fair housing.

¹ The five RHNA objectives are: 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, protection of environmental and agricultural resources, encouragement of efficient development patterns, and achievement of the region's greenhouse gas (GHG) emissions reduction targets as established by the California Air Resources Board (CARB) 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 (Govt. Code § 65584(d)).

The City of Barstow asserts that, based on AFFH parameters, the City's share of very low-income households already exceeds one-third of its total population, and therefore, the City should receive a reduction of the RHNA allocation.

SCAG Staff Response: One of the five objectives of RHNA law is to ensure that the RHNA allocation plan allocates “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”. While SCAG staff accepts the assertion that Barstow currently has a disproportionately high percentage of lower income households in comparison to San Bernardino County (59 percent and 41 percent, respectively), the RHNA methodology addresses this disparity through its social equity adjustment and inclusion of access to resources as an influencing factor.

To further the objectives of allocating a lower proportion of households by income and AFFH, the RHNA methodology includes a minimum 150 percent social equity adjustment, and an additional 10 to 30 percent in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share for each defined income category. It does so by adjusting current household income distribution in comparison to the countywide distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories. For example, for the City of Barstow, 11 percent of the jurisdiction's draft RHNA allocation is assigned for the very low-income category, which is lower than its current 42 percent and lower than the San Bernardino County distribution of 25 percent. Thus, the RHNA methodology, and by extension the jurisdiction's draft RHNA allocation, has already considered this objective to ensure that there is not an overconcentration of lower income households in these currently impacted areas. For this reason, SCAG staff does not recommend a reduction to Barstow's draft RHNA allocation based on this issue.

Issue 3: High Housing Cost Burdens [Government Code Section 65584.04(e)(6)].

The City of Barstow asserts that recent state housing legislation requiring the installation of solar panels, electric vehicle hookups, and fire sprinklers in non-fire prone areas, increases the cost of building a single-family home by about 10 percent. This effectively reduces a developer's ability to invest in the City. The City has an abundant amount of affordable land available to build housing but without investors, it'll be difficult to meet the RHNA allocation. The City believes that if restrictions were lifted, Barstow would be in a better position to meet its RHNA allocation.

SCAG Staff Response: Construction costs cannot be considered by SCAG as a justification for a reduction since the purpose of a RHNA allocation is to ensure that there is adequate zoning to accommodate housing need. The full text of this factor: “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” refers to the proportion of renter

households who are considered cost-burdened for housing. It does not refer to the cost of construction.

The City acknowledges that much of the market rate housing is within the range of affordability and that it is easy to get section 8 housing due to low rental prices. However, there is little demand for purchasing homes. Neither of these facts support this high housing cost burden factor. For these reasons, SCAG staff does not recommend a reduction to Barstow's draft RHNA allocation based on this issue.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Barstow)
2. City of Barstow RHNA Appeal Request Form
3. City of Barstow RHNA Appeal Letter
4. Comments received during the comment period
5. Map of High Quality Transit Areas (HQTAs) in the City of Barstow (2045)
6. Map of Job Accessibility in the City of Barstow (2045)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Barstow had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrated this information in order to develop the City of Barstow’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.² Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Barstow, the projected number of households in 2020 was 9,435 and in 2030 was 11,382 (growth of 1,947 households). In March 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. Input from the City of

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1:

https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book:

<https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Barstow on the growth forecast was received in October 2018. Following this input, household totals for Barstow were revised to 9,030 in 2020 and 10,560 in 2030, reflecting a reduced projected household growth over this ten-year period of 1,530.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Barstow submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be reviewed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spm dm.scag.ca.gov>, and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Barstow from which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- 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. (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in

Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: ‘projected need’ which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from the Connect SoCal Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing need in the current population (existing need) and does not affect a change in regional population. For further discussion, see Connect SoCal Master Response 1:

https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

3. Draft RHNA Allocation for the City of Barstow

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Barstow received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Barstow as summarized in the data and calculations featured in the table below.

Barstow city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	1262
Percent of households who are renting:	55%
Housing unit loss from demolition (2009-18):	23
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	3,963
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	0.28%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	28,000
Share of region's job accessibility (population weighted):	0.00%
Jurisdiction's HQTa population (2045):	4,202
Share of region's HQTa population (2045):	0.04%
Share of population in low/very low-resource tracts:	99.87%
Share of population in very high-resource tracts:	0.00%
Social equity adjustment:	180%

Calculation of Draft RHNA Allocation for Barstow city	
Forecasted household (HH) growth, RHNA period:	1262
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	43
Replacement Need	23
TOTAL PROJECTED NEED:	1328
Existing need due to job accessibility (50%)	16
Existing need due to HQTAs pop. share (50%)	172
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	0
TOTAL EXISTING NEED	188
TOTAL RHNA FOR BARSTOW CITY	1516
Very-low income (<50% of AMI)	172
Low income (50-80% of AMI)	227
Moderate income (80-120% of AMI)	299
Above moderate income (>120% of AMI)	818

The transit accessibility measure is based on the population anticipated to live in ‘High Quality Transit Areas’ (HQTAs) in 2045 based on Connect SoCal’s designation of HQTAs and population forecasts. With a forecasted 2045 population of 4,202 living within HQTAs, the City of Barstow will represent 0.04 percent of the SCAG region’s total HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand



model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on job accessibility. From the City of Barstow's median TAZ, it will be possible to reach 0.28 percent of the region's jobs in 2045 within a 30-minute automobile commute (28,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs,

Please note that the above represents only a partial description of the key data and calculations included in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF BELLFLOWER

Hearing Date: January 8, 2021

The City of Bellflower has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Bellflower submits an appeal and requests a RHNA reduction of 2,726 units (of its draft allocation of 3,726 units). The grounds for appeal are as follows:

- 1) Existing or projected jobs-housing balance - adding housing would exacerbate the existing job/housing imbalance (sufficient housing but insufficient jobs) forcing residents to commute to jobs outside of the City.
- 2) Sewer or water infrastructure constraints - water and sewer providers might not have the capacity to accommodate the City's expected growth in addition to the growth of neighboring cities without additional infrastructure.
- 3) The region's greenhouse gas emissions targets - implementing their RHNA allocation would prevent the City from achieving the GHG emission targets established by the City's Climate Action Plan.

A. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 8, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010821fullagn.pdf?1609455450>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the public hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding existing or projected jobs housing balance, SCAG's Final RHNA Methodology already accounts for the job-housing balance at a regional level.
- 2) Regarding sewer or water infrastructure constraints, evidence from a utility service provider that would preclude the construction of new housing was not demonstrated and costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction.
- 3) Regarding the region's greenhouse gas emissions targets, the statutory objective of RHNA is to promote the achievement of the region's GHG emissions targets as specified by ARB (Government Code 65584(e)). Since Connect SoCal's modeling of regional travel indicates that Bellflower is one of the best places in the region to access jobs, increased housing stock in Bellflower (compared to elsewhere) would reduce regional GHG emissions.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 8, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Bellflower

RECOMMENDED ACTION:

Deny the appeal filed by the City of Bellflower (City) to reduce the Draft RHNA Allocation for the City by 2,726 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Bellflower requests a reduction of its RHNA allocation [by 2,726 units (from 3,726 units to 1,000 units)] based on the following issues:

1. Existing or projected jobs-housing balance - adding housing would exacerbate the existing job/housing imbalance (sufficient housing but insufficient jobs) forcing residents to commute to jobs outside of the City.
2. Sewer or water infrastructure constraints - water and sewer providers might not have the capacity to accommodate the City’s expected growth in addition to the growth of neighboring cities without additional infrastructure.
3. The region’s greenhouse gas emissions targets - implementing their RHNA allocation would prevent the City from achieving the GHG emission targets established by the City’s Climate Action Plan.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Bellflower’s RHNA allocation. SCAG’s final RHNA methodology already accounts for the issue raised in Issue 1. Based on Issue 2, evidence from a utility service provider that would preclude the construction of new housing was not demonstrated and costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction. Based on Issue 3, the statutory objective of

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

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Attachment: Determination Regarding Appeal from the City of Bellflower (Final Determination of Appeals Decisions)

RHNA is to promote the achievement of the region's GHG emissions targets as specified by ARB (Government Code 65584(e)). Since Connect SoCal's modeling of regional travel indicates that Bellflower is one of the best places in the region to access jobs, increased housing stock in Bellflower (compared to elsewhere) would reduce regional GHG emissions.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Bellflower: 3,726 units

Very Low Income: 1,012 units

Low Income: 487 units

Moderate Income: 552 units

Above Moderate Income: 1,675 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Bellflower. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Existing or projected jobs-housing balance [Government Code Section 65584.04(e)(1)].***

The City argues that an excessive RHNA allocation will exacerbate the job/housing imbalance the jurisdiction is experiencing. The City calculates Bellflower's job to housing ratio to be 0.27 demonstrating sufficient housing but insufficient jobs, which will force residents to commute to jobs outside of the city. Adding the 3,726 RHNA units would result in a job/housing ration of 0.24 and exacerbate the jobs/housing imbalance in the City and region. The loss of jobs will be further worsened by COVID-19.

SCAG Staff Response: The adopted RHNA methodology includes a calculation of job accessibility as one of the factors to determine a jurisdiction's draft RHNA allocation. Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute (additional details are found in the adopted RHNA methodology). This is not a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction's residents, which can include jobs located outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which calls for an approach to the region's job housing relationship through the measurement of access rather than number of jobs within a certain jurisdiction. As described in Attachment 1, from the City of Bellflower's median TAZ, it will be possible to reach 22.44% of the region's jobs in 2045 within a 30-minute automobile commute (2,255,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs). In fact, Bellflower ranks #2 out of 197 SCAG jurisdictions in job accessibility, second only to the City of Commerce (23.31%). While we understand that the city's jobs housing ratio indicates that there are more housing units than jobs in Bellflower, it remains one of the best cities in the region for accessing jobs within a short commute which are in neighboring jurisdictions. See Attachment 2, Map of Job Accessibility in the City of Bellflower. Limiting a jobs housing balance assessment solely within jurisdictions can effectively worsen a regional jobs housing balance, and thus, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation based on this factor.

Issue 2: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].

The City calculates that the water and sewer services required to accommodate their RHNA allocation of 3,726 units equates to 655,778 gallons per day for water and 2,235,600 gallons per day of sewer flows. Water and sewer providers might not have the capacity to accommodate this growth in addition to the growth of neighboring cities without additional infrastructure. Therefore, reducing the City's RHNA allocation would reduce the service demand on water and service providers.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water constraints mentioned by the jurisdiction, it is not evident that the respective water providers have rendered a decision that would prevent the jurisdiction from providing the necessary infrastructure. Costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units. For this reason, SCAG staff does not recommend a housing need reduction based upon this planning factor.

Issue 3: The region's greenhouse gas emissions targets [Government Code Section 65584.04(e)(12)].

The City argues a RHNA allocation of 3,726 new units would prevent the City from achieving the GHG emission targets established by the City's Climate Action Plan (CAP), focusing on the year 2030 and the goal of a 38% reduction by 2030. Using a California Air Pollution Control Officers Association (CAPCOA) formula (900 MT CO₂E/50 unit/year), the City calculates 3,726 new units would result in 67,068 MT/year, thus exceeding the City's GHG significance threshold of 25,000 MT CO₂E/year. This would jeopardize the City's ability to achieve the CAP 2030 GHG emission target and increase harmful air pollutants and energy demand/costs.

SCAG Staff Response: SCAG recognizes the forward-thinking planning of Bellflower's CAP and applauds the City's commitment to GHG reduction. However, while jurisdiction-level GHG reduction efforts are laudable, the statutory objective of RHNA is to promote the achievement of the region's GHG emissions targets as specified by ARB (Government Code § 65584(d)(2)).

Data from Connect SoCal (SCAG's 2020 Regional Transportation Plan and Sustainable Community Strategy) was used to inform how the RHNA methodology furthers this objective. The majority of Bellflower's RHNA allocation stems from its location near future employment. As aforementioned, the median Bellflower resident in 2045 can expect to be able to reach 2,255,000 jobs within a 30-minute drive, which is the second-highest in the region. Since approximately 37% of statewide greenhouse gas emissions are from transportation sources and 21% of travel is job/commute related, additional residential development in places which score high on this measure is a crucial tool toward reducing regional GHG emissions.

The City uses the CAPCOA's CEQA & Climate Change White Paper emissions estimate of 900 metric tons of CO₂ per 50 residential units in order to determine a significant impact. However, CAPCOA's estimate is a suggested threshold that uses single-family housing as a basis and does not consider a wide variety of residential types and development sizes. In fact, on page 43 of CAPCOA's white paper, they state: "if this threshold is preferred, it is suggested that a more robust data set be

examined to increase the representativeness of the selected thresholds.”¹ Furthermore, it is not clear whether this estimate takes into account the proximity of housing with respect to transit and jobs.

Connect SoCal specifically provides a regional plan to reduce travel-related GHG emissions by employing land use policies at the regional level. While SCAG acknowledges that 3,726 new units could increase GHG emissions in the City, planning for this development in a manner that is consistent with the development patterns in Connect SoCal would reduce region-wide GHG impacts by placing these units in areas that are close to jobs and transit. In addition, HCD’s regional determination is based in large part on measures of existing need (e.g. overcrowding) rather than regional population growth; as such much of the RHNA allocation intends to accommodate current population. Since Connect SoCal’s modeling of regional travel indicates that Bellflower is one of the best places in the region to access jobs, increased housing stock in Bellflower (compared to elsewhere) would improve regional GHG which is a statutory objective of RHNA. For this reason, SCAG staff does not recommend a reduction to Bellflower’s draft RHNA allocation based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Bellflower)
2. Map of Job Accessibility in the City of Bellflower
3. Appeal and Supporting Documentation (City of Bellflower)
4. Comments Received During the Comment Period (General)

¹ CAPCOA, January 2008. CEQA & Climate Change. Available at: <http://www.capcoa.org/wp-content/uploads/2012/03/CAPCOA-White-Paper.pdf>

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Bellflower had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Bellflower Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (2020 RTP/SCS or Connect SoCal) and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Bellflower, the anticipated number of households in 2020 was 23,448 and in 2030 was 23,820 (growth of 372 households). In May 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of Bellflower on the growth forecast was received in October 2018. Following input, household totals

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

were 23,269 in 2020 and 23,306 in 2030 (growth of 37 households), for a reduced household growth during this period of 335 from preliminary growth forecast data.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Bellflower submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>. As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the Covid-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov>. and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities.

SCAG did not receive additional technical corrections from the City of Bellflower from which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in

Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Bellflower

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the Covid-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Bellflower received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Bellflower as summarized in the data and calculations in the tables below.

Bellflower city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	31
Percent of households who are renting:	60%
Housing unit loss from demolition (2009-18):	62
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	162
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	22.44%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,255,000
Share of region's job accessibility (population weighted):	0.63%
Jurisdiction's HQTAs population (2045):	16,253
Share of region's HQTAs population (2045):	0.16%
Share of population in low/very low-resource tracts:	31.70%
Share of population in very high-resource tracts:	0.00%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Bellflower city	
Forecasted household (HH) growth, RHNA period:	31
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	1
Replacement Need	62
TOTAL PROJECTED NEED:	94
Existing need due to job accessibility (50%)	2654
Existing need due to HQTAs pop. share (50%)	665
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	314
TOTAL EXISTING NEED	3632
TOTAL RHNA FOR BELLFLOWER CITY	3726
Very-low income (<50% of AMI)	1012
Low income (50-80% of AMI)	487
Moderate income (80-120% of AMI)	552
Above moderate income (>120% of AMI)	1675

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 16,253 living within HQTAs, the City of Bellflower represents 0.16% of the SCAG region's HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs

with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Bellflower's median TAZ, it will be possible to reach 22.44% of the region's jobs in 2045 within a 30-minute automobile commute (2,255,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 314 units assigned to the City of Bellflower.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF BEVERLY HILLS

Hearing Date: January 13, 2021

The City of Beverly Hills has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Beverly Hills submits an appeal and requests a RHNA reduction of 1,486 units (of its draft allocation of 3,096 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA methodology for the 6th Cycle RHNA (2021 – 2029) – the flawed RHNA methodology allocates a disproportionate number of units to densely populated urban areas and burdens jurisdictions not experiencing high job growth.
- 2) Availability of land suitable for urban development or for conversion to residential use – the City is built out and has a stable population.
- 3) Changed circumstances. – COVID-19 pandemic has impacted employment, housing and commuting.

Other Issues: The City also challenges the regional determination and include two specific studies (Freddie Mac and Embarcadero Institute). In addition, the City indicates that meeting the RHNA Allocation would result in displacing existing residents.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 13, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna->

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

[abph011321fullagn.pdf?1609982784](https://scag.ca.gov/rhna-abph011321fullagn.pdf?1609982784)). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted Final RHNA Methodology, the City challenges the methodology itself rather than application of the methodology, and no evidence was provided to support an incorrect application of the methodology.
- 2) Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 3) Regarding change in circumstance, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

Other: With respect to the City's challenge to the regional determination, the regional determination is outside the scope of the appeals process and does not provide a basis for appeal since the Appeals Board has no authority to modify the regional determination. Finally, finding suitable sites to accommodate a RHNA allocation does not require the demolition of multi-family residences nor the displacement of vulnerable residents; the RHNA Allocation is not a building quota, rather a jurisdiction is required to plan and zone for housing need but is not penalized for not developing the assigned units.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 13, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal on the Draft Allocation for the City of Beverly Hills

RECOMMENDED ACTION:

Deny the appeal filed by the City of Beverly Hills to reduce the Draft RHNA Allocation for the City of Beverly Hills by 1,486 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Beverly Hills requests a reduction of its RHNA allocation by 48 percent or 1,486 units (from 3,096 units to 1,610 units) based on the following issues:

- 1) Application of the adopted Final RHNA methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Availability of land suitable for urban development or for conversion to residential use
- 3) Changed circumstances.

Other Issues: The City also challenges the regional determination and include two specific studies (Freddie Mac and Embarcadero Institute). In addition, the City indicates that meeting the RHNA Allocation would result in displacing existing residents.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Beverly Hill's Draft RHNA Allocation. With respect to Issue 1, no evidence was provided to support an incorrect application of the adopted RHNA methodology. With respect to Issue 2, the availability of land was not demonstrated to be an impediment to meeting the City's Draft RHNA Allocation since the City does not provide evidence that it cannot accommodate housing using other considerations to

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Beverly Hills (Final Determination of Appeals Decisions)

accommodate need. In regard to Issue 3, change in circumstance, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

With respect to the City's challenge to the regional determination, the regional determination is outside the scope of the appeals process and does not provide a basis for appeal since the Appeals Board has no authority to modify the regional determination. Finally, finding suitable sites to accommodate a RHNA allocation does not require the demolition of multi-family residences nor the displacement of vulnerable residents; the RHNA Allocation is not a building quota, rather a jurisdiction is required to plan and zone for housing need but is not penalized for not developing the assigned units.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Beverly Hills: 3,096 units

Very Low Income: 1,005 units

Low Income: 678 units

Moderate Income: 601 units

Above Moderate Income: 812 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Beverly Hills. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.

- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].***

The City indicates that it is appealing its Draft RHNA Allocation based on an incorrect application of the adopted Final RHNA Methodology. It states that the adopted 6th cycle RHNA methodology is “flawed” and “creates a vacuum of economic development in areas of the region that are already rich in housing, but struggling to attract jobs and economic development.” The City argues that the methodology allocates a disproportionate number of units to already densely populated urban areas instead of lower populated suburban areas “where growth can more easily be accommodated”. The methodology therefore perpetuates more job growth and creation in urban areas instead of encouraging job growth in outlying areas.

The City also argues that the RHNA methodology “burdens” jurisdictions like Beverly Hills that are not experiencing a high rate of job growth. It argues that the City should not be required to provide additional housing units that are needed due to underproduction of housing from nearby jurisdictions despite job growth of these other jurisdictions.

SCAG Staff Response: SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. Pursuant to Government Code section 65584.05(b)(2), an appellant must show that SCAG failed to determine the share of regional housing need in accordance with the adopted Final RHNA methodology. In other words, an appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs determination. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction. See also discussion of “Other Issues” below.

With respect to the statutory objectives¹, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met.

Job accessibility, as measured by the number of jobs accessible by households within a 30-minute drive commute, was one of the main factors in the adopted RHNA methodology. This particular factor emphasized the importance of not confining influences on housing demand that are not restricted to jurisdictional boundaries. As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally-reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another. As noted above, the basis for an appeal for this factor is the *application* of the Final RHNA Methodology and not the RHNA methodology itself, which was a separate but extensive process that involved multiple steps and public involvement leading up to final adoption.

Additionally, the appeal implies that housing should be allocated to less populated areas where they can be “more easily accommodated”. When furthering the RHNA objectives, SCAG balances the various regional goals of its plans, including promoting infill development and improving the intraregional relationship between jobs and housing. Actions to achieve RHNA’s statutory objectives can be challenging, but choosing solutions based solely based on their level of difficulty may end up counterproductive to public policy goals. For these reasons, SCAG staff does not recommend a reduction to the City of Beverly Hill’s Draft RHNA Allocation based on this factor.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

¹ The objectives are: 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 (Govt. Code § 65584(d)).

The City of Beverly Hills writes in its appeal that the City is “built out...with little to no urban land for development of housing.” It also indicates that the City has had stable population for the last several decades and that it “has not experienced extensive interest from developers wishing to construct new housing.” The City argues that these factors indicate there is not necessarily the demand that the RHNA allocation suggests.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

While the City asserts that it is built out and has little urban land available for development, it does not provide evidence that it is unable to consider underutilization of these sites, increased densities, and other planning tools to accommodate its assigned need. Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.² A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, the guidelines indicate that (page 32):

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

Furthermore, under Government Code Section 65584.04(g)(2) and (3), the following criteria cannot be a justification for a determination or a reduction in a jurisdiction’s share of the regional housing need:

² See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

- “(2) Prior underproduction of housing in a city or county from the previous regional housing need allocation.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle”

While the City suggests that there has been a lack of interest in residential development to support a higher RHNA allocation, this argument cannot be used to reduce its Draft RHNA Allocation. Likewise, the City’s argument that its population has been stable over the last several decades cannot be used to reduce its RHNA Allocation. For these reasons, SCAG staff does not recommend a reduction to the City of Beverly Hill’s Draft RHNA Allocation based on this factor.

Issue 3: Changed Circumstances [Government Code 65584.05(b)].

The City argues that the COVID-19 pandemic has had a considerable impact on employment, housing, commuting, and development over the coming years. In its appeal, it also indicates that the pandemic has had an impact on the City’s finances and operations, which it argues will impact the ability of developers to construct new housing units.

Additionally, the City argues that its residential vacancy rates will increase, which “will further reduce demand for new housing units” in the City. It also argues that its vacancy rate of 7% for multi-family units is caused by the pandemic and that because of these and even higher vacancy rates in other areas, a reduction to its draft RHNA allocation should be granted.

SCAG Staff Response: SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.” (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth

Forecast Technical Report³ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG's region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region's long-term competitiveness or the region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties.

While SCAG does not dispute the City's assertion that its renter vacancy rate is 7%, this statistic alone does not necessarily indicate a reduced demand for housing, particularly if there is a high percentage of cost-burdened households as indicated by the City in another part of its appeal.

Demand for housing as quantified by the RHNA Allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

Other Issues:

Regional Determination

The City argues in its appeal that the regional determination provided by the California Department of Housing and Community Development (HCD) is incorrect and based on flawed assumptions, data, and information. As part of its filed appeal the City includes recent reports from the Embarcadero Institute and Freddie Mac to support its argument that the regional determination from HCD was inaccurate and thus the RHNA allocation derived from this is inaccurate for the City as well.

SCAG Staff Response: SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. As discussed above, the regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination.

³ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. Following SCAG's formal objection filed on September 18, 2019, HCD did not materially change the regional determination, and there are no further mechanisms provided for in the statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process—namely the adoption of a Final RHNA Methodology, issuing a draft RHNA allocation, conducting an appeals process, and issuing Final RHNA Allocations.

A PowerPoint slide deck titled "Double counting in the latest housing needs assessment" was placed on the Embarcadero Institute's website during 2020 (last update September 2020)." Without commenting on the credibility or accuracy of this material, SCAG staff would note that in order for such materials to have been considered by HCD, they would have had to have been submitted by June of 2019. The RHNA statute provides defined timeframes guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This "determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the Final RHNA Allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

Furthermore, the materials presented by the Embarcadero Institute are regional in nature and do not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was applied incorrectly to determine the jurisdiction's share of regional housing need. Because a regional study does not meet this criterion, this study cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates.

Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's Draft RHNA Allocation.

Displacement

The City argues that implementing the Draft RHNA Allocation would cause displacement of a significant number of existing residents within the City. It asserts that the majority of residents in the City reside in multi-family apartments and that the majority of residents in the City are renters. The City also indicates that it has a strong rent stabilization program to ensure existing residents and lower income residents are protected from displacement and large rent increases. According to the City's appeal, 50% of its renters are cost-burdened, meaning they spend more than 30% of their income on rent. Nearly 30% are extremely cost-burdened, meaning they spend more than 50% of their household income on rent. Additionally, the City also has an aging population. In its appeal, the City argues that to accommodate its draft RHNA allocation, it would "cause the demolition of hundreds of multi-family buildings, which, in turn, would cause the displacement of thousands of residents that are currently residing in these buildings." This is because new development in the City are generally luxury units that replace existing lower cost housing. The City also argues that this displacement would make it more difficult to find affordable housing in the City.

SCAG Staff Response: Consideration of the displacement of existing residents is an important issue in housing policy and planning. SCAG staff does not dispute that there is a high percentage of cost-burdened households within the City. However, it is unclear how the planning and zoning for its housing need would automatically require the City to demolish currently existing multi-family buildings and permit market rate units instead or how it would require the displacement of vulnerable residents. As mentioned earlier in this staff report, a jurisdiction is required to use a variety of planning tools to find suitable sites to accommodate its share of regional housing need. There is no requirement for a City to demolish existing units, only permit market rate units, or displace existing residents to meet its housing need.

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation based on these other issues.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Attachment 1_Local Input and Development of Draft RHNA Allocation (City of Beverly Hills)
2. Attachment 2_Appeal Form and Supporting Documentation (City of Beverly Hills)
3. Attachment 3_Comments Received During the Comment Period (General)
4. Attachment 4_BeverlyHills_jobaccess

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Beverly Hills had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Beverly Hills’ Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁴ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁵ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Beverly Hills, the anticipated number of households in 2020 was 15,056 and in 2030 was 15,572 (growth of 516 households). In June 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of Beverly Hills on the growth forecast was received in October 2018. Following input, household

⁴ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁵ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

totals were 14,979 in 2020 and 15,296 in 2030, for a reduced household growth during this period of 317.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Beverly Hills submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG not receive additional technical corrections from the City of Beverly Hills from which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁶ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁶ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Beverly Hills

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Beverly Hills received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Beverly Hills as summarized in the data and calculations in the tables below.

Beverly Hills city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	262
Percent of households who are renting:	59%
Housing unit loss from demolition (2009-18):	255
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	724
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	17.74%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,782,000
Share of region's job accessibility (population weighted):	0.23%
Jurisdiction's HQTa population (2045):	33,563
Share of region's HQTa population (2045):	0.33%
Share of population in low/very low-resource tracts:	0.00%
Share of population in very high-resource tracts:	100.00%
Social equity adjustment:	180%

Calculation of Draft RHNA Allocation for Beverly Hills city	
Forecasted household (HH) growth, RHNA period:	262
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	9
Replacement Need	255
TOTAL PROJECTED NEED:	526
Existing need due to job accessibility (50%)	975
Existing need due to HQTAs pop. share (50%)	1373
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	222
TOTAL EXISTING NEED	2570
TOTAL RHNA FOR BEVERLY HILLS CITY	3096
Very-low income (<50% of AMI)	1005
Low income (50-80% of AMI)	678
Moderate income (80-120% of AMI)	601
Above moderate income (>120% of AMI)	812

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 33,563 living within HQTAs, the City of Beverly Hills represents 0.33%] of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Beverly Hills’ median TAZ, it will be possible to reach 17.74% of the region’s jobs in 2045 within a 30-minute automobile commute (1,782,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 222 units assigned to the City of Beverly Hills.

Please note that the above represents only a partial description of key data and calculations which result in the Draft RHNA Allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF CERRITOS

Hearing Date: January 8, 2021

The City of Cerritos has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Cerritos submits an appeal and requests a RHNA reduction of 129 units (of its draft allocation of 1,774 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle (2021 – 2029):
 - (a) existing need due to job accessibility
 - (b) allocation percentages for each income category
- 2) Availability of land suitable for urban development or for conversion to residential use – low quantity of underused parcels.
- 3) Other: Cerritos asserts that HCD improperly calculated the regional RHNA allocation.

B. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 8, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010821fullagn.pdf?1609455450>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding the application of the Final RHNA Methodology, the employment data relied upon by SCAG was previously verified by City staff. Additionally, regarding the change to the income levels of units, the City's Draft RHNA Allocation, including the final calculation of income levels, was conducted pursuant to the Final RHNA Methodology and in a fair and consistent manner across all local jurisdictions.
- 2) Regarding land suitable for urban development or for conversion to residential use, the City has not provided evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 3) Other: The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs assessment.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 8, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Cerritos

RECOMMENDED ACTION:

Deny the appeal filed by the City of Cerritos (City) to reduce the Draft RHNA Allocation for the City by 129 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Cerritos requests a reduction of its RHNA allocation by 129 (from 1,903 units to 1,774 units) based on the following issues:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle (2021 – 2029):
 - a. existing need due to job accessibility
 - b. allocation percentages for each income category
2. Availability of land suitable for conversion to residential use – low quantity of underused parcels.

In addition, the City asserts that HCD improperly calculated the regional RHNA allocation.

RATIONALE FOR STAFF RECOMMENDED ACTION:

Staff have reviewed the appeal and recommend no change to the City of Cerritos’ RHNA allocation. Regarding Issue 1a, the City proposes an alternative data source to calculate job accessibility which would yield a modest reduction in job accessibility in Cerritos; however, the employment data relied upon by SCAG was previously verified by city staff. Regarding Issue 1b, Cerritos requests a minor change to the income levels of units in its RHNA allocation; however, the City’s Draft RHNA Allocation was determined to be consistent with the Final RHNA Methodology. Regarding Issue 2, the City has not provided evidence that lands are unavailable to meet the Draft RHNA Allocation.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Cerritos (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, the City of Cerritos received its Draft RHNA Allocation on September 11, 2020. A summary is below.

Total RHNA for the City of Cerritos: 1,903 units

- Very Low Income: 678 units
- Low Income: 344 units
- Moderate Income: 331 units
- Above Moderate Income: 550 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Cerritos. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1a: Adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(1)] - existing need due to job accessibility.

Cerritos requests an alternative data source be used to assess job accessibility in Cerritos which would reduce the city's level of job accessibility from 21.29% to 19.79%. This would reduce the City's total RHNA allocation by 129 units.

SCAG Staff Response: SCAG appreciates the City's continued engagement in the RHNA process as well as the Bottom-Up Local Input and Envisioning Process. As detailed in Attachment 1 below, SCAG and the City of Cerritos engaged in extensive communication regarding input data for Connect SoCal, including current and future employment.

As detailed in Connect SoCal's Demographics and Growth Forecast Technical Report¹, SCAG utilizes numerous data sources to develop jurisdiction-level growth forecasts, including the American Community Survey (ACS), the state Employment Development Department (EDD), and business establishment-level data from InfoGroup. SCAG's preliminary employment forecasts for Cerritos were 38,953 in 2016 and 40,849 in 2045.

Following their review, the City of Cerritos recommended reducing its 2045 employment outlook to 39,183 jobs. A data input and verification form was signed by City Manager Art Gallucci on September 17, 2018 and returned to SCAG with this update (attached). This is the employment figure used in Connect SoCal and referenced in Cerritos' appeal as being too high. Cerritos proposes an alternative source of data better reflects the City's true level of employment: the American Community Survey (ACS) 5-year estimate (2012-2016) of 34,850 workers.

Cerritos acknowledges that the RHNA methodology is based on the jobs which are accessible from Cerritos (21.29% of the region's employment in 2045, or 2,139,000 million jobs²) rather than the number of jobs in the city itself. However, since Cerritos' alternative proposed data source indicates about 4,200 fewer jobs in Cerritos, that would slightly decrease the number of jobs *accessible* to residents of Cerritos (to 2,135,000 jobs, or 21.25% of the region's employment in 2045). Cerritos suggests that this alternative data source would merit a 1.5% reduction in the job access share to 19.79%.

While the requested change is relatively modest (6.7% of the draft allocation), SCAG staff cannot recommend this change. The current and future employment totals for Cerritos used in Connect SoCal are not only based on more recent and comprehensive data but they were formally agreed to by SCAG and Cerritos during the Bottom-Up Local Input and Envisioning Process.

¹ https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf

² Based on Connect SoCal's 2045 regional employment forecast of 10,049,000 jobs.

Issue 1b: Adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05(b)(2)] - allocation for each income category is incorrect when based on the social equity adjustment formula.

Cerritos notes that the Draft RHNA Allocation's distribution of housing units across the four income categories differs from the calculation referenced in the RHNA methodology as a result of the "normalization adjustment" which was applied by SCAG in order to ensure that housing unit totals by income category match HCD's regional determination. Cerritos notes that this adjustment noticeably skewed Cerritos' allocation and requests that the original adjustment using the formula referenced in the methodology be used directly.

SCAG Staff Response: To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing (AFFH), the RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution in comparison to county distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories.

After determining the social equity adjustment for each local jurisdiction, SCAG needed to apply a normalization adjustment to ensure that the regional total by income category matched the totals indicated in HCD's regional determination (attached).

Per statute, and following the direction of the SCAG Regional Council, the final RHNA methodology integrates a wide range of policy factors. Unlike in past cycles, HCD did not provide a range of values for the regional determination. In order to avoid allocating housing units to local jurisdictions in excess of the already high figure of 1,341,827 units, SCAG used the precise number called for by HCD.

However, there is the possibility of some mathematical imbalance in the social equity adjustment which results in the small percentage differences by income category noted by Cerritos. Following the percentages in the social equity adjustment without any normalization results in allocating 3.3% too many above-moderate income units and 4.8% too few very-low income units region-wide. The normalization process proportionately reallocates this small discrepancy across all jurisdictions in the region and also ensures that cities are allocated whole number values rather than fractions of housing units. As Cerritos notes, this discrepancy results in an increase in 28 very-low income units (1.4%), and a decrease in 2 moderate-income units (0.1%), a decrease in 1 low-income unit (0.0%), and a decrease in 25 above-moderate income units (1.3%).

While this normalization adjustment was not discussed in as much detail as other aspects of the RHNA methodology, it was included on page 17 of the adopted final RHNA methodology and the formula itself was available in the Excel-based RHNA estimate tool posted online. Since the final calculation of income levels was conducted pursuant to the final RHNA methodology and in a fair and consistent manner across all local jurisdictions, staff does not recommend adjusting Cerritos' draft RHNA allocation accordingly.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City argues that it is built out and developed, with very few vacant sites that are suitable for land development. It also suggests that that e-commerce coupled with displacement of existing commercial, office, and industrial uses to accommodate housing will negatively impact job growth and may further reduce Cerritos' employment by 2045.

SCAG Staff Response: Per Government Code Section 65584.04(e)(2)(B), SCAG is not permitted to limit its consideration of suitable housing sites or land suitable for urban development to a jurisdiction's existing zoning and land use policies and restrictions (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use," as expressed in 65584.04(e)(2)(b), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of 'available' land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

"In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land." (HCD Letter at p. 2).

As such, the City can consider other opportunities for development including the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to allocate RHNA need. Per the adopted RHNA methodology, RHNA need is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

As part of the Bottom-Up Local Input and Envisioning Process, SCAG included a draft map which used a rudimentary, region-wide approach to highlight potential infill or refill opportunities based on largely on property value. These were included for research purposes and were not used for growth forecasting or RHNA allocation purposes.

SCAG's growth forecast appreciates and integrates future uncertainty surrounding the nature of employment and conducted extensive analysis on e-commerce and "gig" work. However, the nature of an RTP/SCS is that a future employment total reflecting the most likely future scenario must be used for modeling and forecasting purposes. As described in Attachment 1 and illustrated by SCAG's revision to Connect SoCal based on Cerritos' requested change, this total was developed and reviewed with extensive local input. Cerritos does not request a specific reduction in its Draft RHNA Allocation on this basis; staff does not recommend any adjustment.

Other: *In addition to the issues raised above which are the bases for an appeal, Cerritos also asserts that HCD improperly calculated SCAG's regional housing need determination of 1,341,827 units for the 6th cycle of RHNA.*

SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs assessment. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

SCAG's development of a consultation package to HCD regarding the regional housing needs determination took place during the first half of 2019. During this time SCAG extensively reviewed a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and state. On March 27, 2019 SCAG convened a panel of fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, state statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow sufficient time for the development of a methodology, appeals, and local housing element updates.

During both the consultation process and the filing of SCAG’s formal objection to HCD’s regional determination, SCAG extensively reviewed the issues brought up in these recent reports including a variety of indicators of housing backlog such as cost burden, overcrowding, demolition, and vacancy. In addition, SCAG has a well-developed program for forecasting population and household growth in the region which is conducted with the advice and collaboration of the state Department of Finance’s forecasting staff. SCAG assessed the relationship between the measures used and not used in its analyses in order to avoid overlap (“double counting”).

A PowerPoint slide deck titled “Double counting in the latest housing needs assessment” was placed on the Embarcadero Institute’s website during 2020 (last update September 2020).” Without commenting on the credibility or accuracy of this material, SCAG staff would note that in order for such materials to have been considered by HCD, they would have had to have been submitted by June of 2019. The RHNA statute provides defined timeframes guided by the deadline for the housing element revisions for HCD’s RHNA determination and SCAG’s Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region’s existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This “determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

Furthermore, the materials presented by the Embarcadero Institute are regional in nature and do not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was applied incorrectly to determine the jurisdiction’s share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction’s appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction’s draft RHNA allocation. For



these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Cerritos)
2. Appeal Form and Supporting Documentation (City of Cerritos)
3. Data Input and Verification Form (City of Cerritos)
4. HCD final 6th Cycle Housing Need Determination for the SCAG Region
5. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Cerritos had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Cerritos' Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Cerritos, the anticipated number of households in 2020 was 15,571 and in 2030 was 15,814 (growth of 243 households). In May 2018, SCAG staff met with staff from the City of Cerritos to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from Cerritos on the growth forecast was received on September 17, 2018 in the form of a Data Input and Verification

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Form signed by City Manager Art Gallucci (attached). This indicated a household total of 15,467 in 2020 and 15,507 in 2030, for a revised level of household growth of 40 units during this period.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Cerritos submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions

were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Cerritos which differed from the Growth Vision in late 2019 or summer 2020.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Cerritos

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Cerritos received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Cerritos as summarized in the data and calculations in the tables below.

Cerritos city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	33
Percent of households who are renting:	21%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	105
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	21.29%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,139,000
Share of region's job accessibility (population weighted):	0.39%
Jurisdiction's HQTAs population (2045):	1,770
Share of region's HQTAs population (2045):	0.02%
Share of population in low/very low-resource tracts:	0.03%
Share of population in very high-resource tracts:	77.47%
Social equity adjustment:	160%

Calculation of Draft RHNA Allocation for Cerritos city	
Forecasted household (HH) growth, RHNA period:	33
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	1
Replacement Need	-
TOTAL PROJECTED NEED:	34
Existing need due to job accessibility (50%)	1636
Existing need due to HQTAs pop. share (50%)	72
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	161
TOTAL EXISTING NEED	1870
TOTAL RHNA FOR CERRITOS CITY	1903
Very-low income (<50% of AMI)	678
Low income (50-80% of AMI)	344
Moderate income (80-120% of AMI)	331
Above moderate income (>120% of AMI)	550

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 1,770 living within HQTAs, Cerritos represents 0.02% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Cerritos’ median TAZ, it will be possible to reach 21.29% of the region’s jobs in 2045 within a 30-minute automobile commute (2,139,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 161 units assigned to the City of Cerritos.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF CHINO HILLS

Hearing Date: January 6, 2021

The City of Chino Hills has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Chino Hills submits an appeal and requests a RHNA reduction of 1,797 units (of its draft allocation of 3,720 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - the 6th Cycle Draft RHNA allocation relies on flawed TAZ data to establish commute times and miscalculates Chino Hills' existing need due to job accessibility share and the fact that there are no High Quality Transit Areas (HQTAs) in the City.
- 2) Existing or projected jobs-housing balance –job accessibility was miscalculated.
- 3) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans – the City does not have HQTAs.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 6, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010621fullagn.pdf?1609379165>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding the application of the adopted Final RHNA Methodology, SCAG adhered to its Connect SoCal Growth Vision process in finalizing forecasted growth at the TAZ level, which did result in adjustments to TAZ-level data for the City of Chino Hills. The City of Chino Hills was notified of two opportunities to provide feedback on TAZ-level growth forecast data. SCAG did not receive comments from the City following these notices and thus relied on the adjusted TAZ data.
- 2) Regarding existing or projected jobs-housing balance, Chino Hills' employment data was previously verified by City staff and the commute time-based measures raised by the City are not used in the job accessibility measure, which was adopted by the Regional Council as part of the final 6th cycle RHNA methodology.
- 3) Regarding distribution of household growth assumed for purposes of comparable Regional Transportation Plans, the adopted final RHNA methodology uses population in planned 2045 HQTAs as one determinant of housing need. While there is currently no HQTA in Chino Hills, SCAG has confirmed that the transit projects which result in this HQTA are anticipated to be operational by 2045.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 6, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kevin Kane, Senior Regional Planner,
(213) 236-1828, kane@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Chino Hills

RECOMMENDED ACTION:

Deny the appeal filed by the City of Chino Hills (the City) to reduce the Draft RHNA Allocation for the City by 1,797 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Chino Hills requests a reduction of its RHNA allocation by 1,797 units (from 3,720 units to 1,923 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Existing or projected jobs-housing balance
- 3) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans

The City asserts that the revisions to its allocation are necessary to correct inaccuracies and further the intent of the objectives of Government Code Section 65584(d).¹

¹ The five RHNA objectives are: 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 reduction targets as established by the California 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. (Govt. Code § 65584(d)).

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Chino Hills (Final Determination of Appeals Decisions)



RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Chino Hills’ draft RHNA allocation. The City contends that the 6th Cycle Draft RHNA allocation relies on flawed TAZ data to establish commute times and miscalculates Chino Hills’ existing need due to job accessibility share and the fact that there are no High Quality Transit Areas (HQTAs) in the City.

SCAG adhered to its Connect SoCal Growth Vision process in finalizing forecasted growth at the TAZ level, which did result in adjustments to TAZ-level data for the City of Chino Hills. The City of Chino Hills was notified of two opportunities to provide feedback on TAZ-level growth forecast data on October 31, 2019 and May 26, 2020. SCAG did not receive comments from the City following these notices and thus relied on the adjusted TAZ data.

The City requests a reduction in its draft RHNA allocation due to a miscalculation of the job accessibility share; however Chino Hills’ employment data was previously verified by city staff and the commute time-based measures raised by the city are not used in the job accessibility measure, which was adopted by the Regional Council as part of the final 6th cycle RHNA methodology.

Chino Hills also requests a reduction based on a claim that the city does not have HQTAs; however, the adopted final RHNA methodology uses population in planned 2045 HQTAs as one determinant of housing need. While there is currently no HQTA in Chino Hills, SCAG has confirmed that the transit projects which result in this HQTA are anticipated to be operational by 2045.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

- Total RHNA for the City of Chino Hills: 3,720 units
 - Very Low Income: 1,384 units
 - Low Income: 819 units
 - Moderate Income: 787 units
 - Above Moderate Income: 730 units

Additional background related to the Draft RHNA Allocation for the City of Chino Hills is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Chino Hills. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from cities in the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: The City contends that SCAG failed to correctly apply the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(1)].

Chino Hills contends that the Final RHNA Methodology was incorrectly applied to the City because the underlying transportation analysis zone (TAZ) data is flawed. They specify that TAZ 1432 is comprised of Chino Hills State Park, over which the City has no jurisdiction, is erroneously assigned a TAZ population of 7,944 for the year 2016 and 10,525 for the year 2040.

SCAG Staff Response: SCAG was not able to find any record of a TAZ 1432. The TAZ that includes Chino Hills State Park, in addition to a portion of the City's urbanized area, which is likely referenced by the City, is TAZ 53609100. The Bottom-Up Local Input and Envisioning Process requested population data for 2016, 2020, 2030, 2035, and 2045. 2040 was not included and no 2040 figures were used. While this TAZ does consist of state park land, it also includes an existing population of 7,944 individuals and 2,276 households in the base year of 2016. Chino Hills submitted a data input verification form on October 16, 2018 that included local jurisdiction growth in addition to TAZ-level growth following a local input meeting between SCAG staff and City of Chino Hills staff in March 2018. During the Connect SoCal Growth Vision process, SCAG made revisions to TAZ-level growth, adding approximately 600 households to TAZ 53609100. SCAG then provided Chino Hills with two opportunities on October 31, 2019 and May 26, 2020 to provide responses to this adjustment. The local input and Growth Vision processes are described in detail in Attachment 1. SCAG did not

receive feedback or technical corrections by the final deadline on June 9, 2020. Therefore, SCAG used the data developed through the Growth Vision process.

Issue 2: The City contends that SCAG failed to adequately consider information related to existing or projected jobs-housing balance [Government Code Section 65584.04(e)(1)].

Government Code Section 65584.04(e)(1)] indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

Chino Hills challenges SCAG's calculation of job accessibility. SCAG's "Profile of City of Chino Hills" (May 2019) cites 16,647 commuters in Chino Hills, 65.3% of whom spend more than 30 minutes traveling to work, and 34.7% of whom spend 30 minutes or less traveling to work. The Connect SoCal Plan does not include improvements to the main highways in Chino Hills (SR-71, SR-142, SR-60 and SR-91), therefore commute times are not expected to improve by 2045 and may be expected to increase with the development of additional housing. The City proposes that their regional share of existing need due to job accessibility should be reduced by 65.3% to reflect the fact that 65.3% of commuters in Chino Hills have travel times of over 30 minutes (resulting in a reduction of 910 units, from 1,393 units to 483 units).

SCAG Staff Response: The adopted RHNA methodology includes a calculation of job accessibility as one of the factors to determine a jurisdiction's draft RHNA allocation. Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute (additional details are found in the adopted RHNA methodology). This is **not** a measure of the travel times of existing commuters within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction's residents, which can include jobs outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which calls for an approach to the region's job housing relationship through the measurement of access rather than number of jobs within a certain jurisdiction. Limiting a jobs housing balance assessment solely within a jurisdiction's boundaries can effectively worsen a regional jobs housing imbalance and thus SCAG staff does not recommend a reduction to the City of Chino Hills draft RHNA allocation based on this factor.

Issue 3: The City contends that SCAG failed to adequately consider information related to distribution of household growth assumed for purposes of comparable regional Transportation Plans [Government Code Section 65584.04(e)(3)].

Government Code Section 65584.04(e)(3) indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

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.

Chino Hills contends that the City does not have HQTA areas that facilitate access to jobs and does not have the existing or planned highway capacity to ensure reasonable commute times (30 minutes or less) to employment centers. Placing additional housing in Chino Hills based on incorrect data does not promote improve intraregional jobs/housing balance nor will it improve the balance between the number of low-wage jobs and the number of affordable housing units in Chino Hills. The City further claims that “SCAG does not provide the data to support this assignment, and in fact there is no data that can support it.”

SCAG Staff Response: The adopted final RHNA methodology includes a component that calculates need based on a jurisdiction’s population within a high-quality transit areas (HQTA).

For planning and SCS purposes, SCAG identifies a ‘High Quality Transit Area’ as generally a walkable transit village or corridor that is within one-half mile of a major transit stop or ‘High Quality Transit Corridor’ (HQTC) as defined in Government Code 21155(b) and 21064.3 excluding freeway transit corridors with no bus stops on the freeway alignment. (See also Appendix 1 of the Connect SoCal Technical Report: Transportation System – Transit).² SCAG’s technical methodology for identifying HQTCs and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor’s Office of Planning and Research.

Planned HQTCs and major transit stops are future improvements that are expected to be implemented by transit agencies by the RTP/SCS horizon year of 2045. These are assumed by definition to meet the statutory requirements of an HQTC or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCs with the adoption of a new RTP/SCS, once every four years. However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS is updated by SCAG and as such it is understood that planned transit projects are subject to further project-specific evaluation, but that is the nature of the long range planning process. While there is an inherent chance that transit agencies may change future

² https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_transit.pdf?1606002122

plans, ultimately SCAG's adopted final RHNA methodology uses this definition of 2045 HQTAs in order to better align future housing with anticipated future transit.

The adopted RHNA methodology considers the Connect SoCal Growth Forecast in assigning population to planned (2045) HQTAs. This methodology ensures that the RHNA component of population within HQTAs results in a direct linkage to the regional transportation plan, strengthening the consistency between these two planning processes. Using the calculation from the RHNA methodology, the City of Chino Hills was assigned a need of 888 based on population within planned (2045) HQTAs. A map of planned (2045) HQTAs within the jurisdiction is attached to this staff report. The planned (2045) HQTA in Chino Hills is a transit corridor project consisting of an Express Bus on Grand/Edison from Chino Hills Parkway to Eastvale that SBCTA submitted to SCAG, listed in the Project List as planned RTP project #4120211. This is not a new project, and this corridor was also identified as a planned HQTC in the 2016 RTP. This information was available for public review following the release of the draft Connect SoCal plan in November 2019. Details can be found in the Connect SoCal Public Participation and Consultation Technical Report. SCAG staff does not recommend a reduction to its Draft RHNA Allocation based on this planning factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Chino Hills)
2. Map of High Quality Transit Areas in the City of Chino Hills (2045)
3. Map of Job Accessibility in the City of Chino Hills (2045)
4. City of Chino Hills Appeal and Supporting Documentation
5. Comments received during the comment period

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Chino Hills had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Chino Hills’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Chino Hills, the anticipated number of households in 2020 was 24,723 and in 2030 was 27,129 (growth of 2,406 households). In March 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of Chino

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Hills on the growth forecast was received in October 2018. Following input, household totals were 24,418 in 2020 and 25,868 in 2030, for a reduced household growth during this period of 956.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), 'Affirmatively Furthering Fair Housing' (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Chino Hills submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve Southern California's GHG reduction targets, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site: <http://spmDM.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Chino Hills which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- 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. (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on

November 7, 2019 and provide it to the California Department of Housing and Community Development (HCD) for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need”, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period and, “existing need”, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at:

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

3. Draft RHNA Allocation for the City of Chino Hills

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Chino Hills received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Chino Hills as summarized in the data and calculations in the tables below.

Chino Hills city statistics:		<i>Regional Percentile:</i>
Forecasted household (HH) growth, RHNA period:	1196	65%
Percent of households who are renting:	23%	12%
Housing unit loss from demolition (2009-18):	3	40%
Adj. forecasted household growth, 2020-2045:*	3,763	-
Pct. of regional jobs accessible in 30 mins (2045):**	9.78%	43%
Share of region's job accessibility (pop-weighted):	0.33%	67%
Share of region's HQT population (2045)	0.21%	66%
Share of pop. in low/very low-resource tracts:	0.00%	-
Share of pop. in very high-resource tracts:	99.51%	-
Social equity adjustment:	180%	-

RHNA Allocation inputs for Chino Hills city		
Forecasted household (HH) growth, RHNA period:	1196	
Vacancy Adjustment	28	
Replacement Need	3	
TOTAL PROJECTED NEED:	1227	
Existing need due to job accessibility (50%)	1393	
Existing need due to HQTAs pop. share (50%)	888	
Net residual factor for existing need [^]	212	
TOTAL EXISTING NEED	2493	
TOTAL RHNA FOR CHINO HILLS CITY	3720	<i>Pct of total</i>
Very-low income (<50% of AMI)	1384	37.2%
Low income (50-80% of AMI)	819	22.0%
Moderate income (80-120% of AMI)	787	21.2%
Above moderate income (>120% of AMI)	730	19.6%

The transit accessibility measure is based on the population anticipated to live in ‘High Quality Transit Areas’ (HQTAs) in 2045 based on Connect SoCal’s designation of HQTAs and population forecasts. With a forecasted 2045 population of 21,701 living within HQTAs, the City of Chino Hills will represent 0.21 percent of the SCAG region’s total HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate

housing units based on the job accessibility factor. From the City of Chino Hills' median TAZ, it will be possible to reach 12 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,174,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs. An additional factor is included in the methodology to account for RHNA Objective #5, to 'Affirmatively Further Fair Housing' (AFFH). Several jurisdictions in the region, which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 212 units assigned to the City of Chino Hills.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF CHINO

Hearing Date: January 6, 2021

The City of Chino has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- “(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.
- (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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Chino submits an appeal and requests a RHNA reduction of 3,564 units (of its draft allocation of 6,961 units). The grounds for appeal are as follows:

- 1) Jobs/housing balance
- 2) Sewer and water infrastructure limitations
- 3) Availability of suitable land for urban development or conversion to residential use
- 4) Lands protected from urban development under existing federal or state programs
- 5) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
- 6) Regional greenhouse gas emission reduction targets
- 7) Application of adopted Final RHNA Methodology for the 6th Cycle RHNA: Furthering statutory housing equity objectives
- 8) Application of adopted Final RHNA Methodology for the 6th Cycle RHNA: Determining populations located within an HQTAs
- 9) Change in circumstances

A. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 6, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to

the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010621fullagn.pdf?1609379165>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the public hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

1) The jobs-housing balance factor was not demonstrated to be an impediment to meeting Chino's RHNA allocation since jobs-housing balance is evaluated at the regional, not jurisdictional, level.

2) Regarding limitations on the availability of existing water and sewage infrastructure, it is not evident that the water providers have rendered decisions that would prevent the jurisdiction from providing the necessary infrastructure. Also, costs to upgrade and develop appropriate water and sewage infrastructure may not be considered as a justification for a reduction.

3) Regarding the availability of land suitable for urban development or conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.

4) Regarding lands protected from urban development by existing federal or state programs, RHNA requires that other types of land use options be considered in the assessment of housing development opportunities other than existing open space.

5) Regarding distribution of household growth assumed for purposes of comparable Regional Transportation Plans, while SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal) is informed by data for projected housing need through 2045, the 6th Cycle RHNA assessment includes both projected regional housing need and existing regional housing need.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

6) Regarding regional greenhouse gas (GHG) emission targets, Connect SoCal has demonstrated achievement of all applicable regional GHG emission reduction targets.

7) Regarding application of the adopted Final RHNA Methodology for furthering statutory housing equity objectives, the City's inability to allay the costs associated with the implementation of the equitable distribution of housing supply and its limited land resources available to develop the needed housing units does not provide an eligible basis for appeal since RHNA requires a local jurisdiction only to plan and zone for its determined housing need and does not require a local jurisdiction to develop the allocated units.

8) Regarding application of the adopted Final RHNA Methodology relating to the determination of population residing within an HQTAs, the methodology considers planned future (2045) HQTAs and the City is anticipated to have HQTAs in 2045 based on eligible transit routes projected to be in service on Euclid Avenue and on Edison Avenue.

9) Regarding change in local circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 6, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kevin Kane, Senior Regional Planner,
(213) 236-1828, kane@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Chino

RECOMMENDED ACTION:

Deny the appeal filed by the City of Chino (the City) to reduce its draft RHNA allocation from its current allocation of 6,961 units to 3,397 units, a reduction of 3,564 units (51.2 percent).

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Chino requests a reduction of its RHNA allocation of 6,961 residential units based on the following nine issues:

- 1) Jobs/housing balance
- 2) Sewer and water infrastructure limitations
- 3) Availability of suitable land for urban development or conversion to residential use
- 4) Lands protected from urban development under existing federal or state programs
- 5) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
- 6) Regional greenhouse gas emission reduction targets
- 7) Application of adopted Final RHNA Methodology for the 6th Cycle RHNA: Furthering statutory housing equity objectives
- 8) Application of adopted Final RHNA Methodology for the 6th Cycle RHNA: Determining populations located within an HQTAs
- 9) Change in circumstances

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Chino (Final Determination of Appeals Decisions)

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the submitted appeal documentation and recommend no change to the City of Chino RHNA allocation.

Issue 1: The appeal based on the jobs-housing balance factor was not demonstrated to be an impediment to meeting Chino's RHNA allocation since jobs-housing balance is evaluated at the regional, not jurisdictional, level.

Issue 2: The appeal based on limitations on the availability of existing water and sewage infrastructure is not accepted because these conditions have already been accounted for in the RHNA assessment.

Issue 3: The appeal based on the availability of land suitable for urban development or conversion to residential use is not accepted because RHNA requires that the consideration of the availability of land suitable for urban development must include other types of land use opportunities other than vacant land.

Issue 4: The appeal based on lands protected from urban development by existing federal or state programs is not accepted as RHNA requires that other types of land use options be considered in the assessment of housing development opportunities other than existing open space.

Issue 5: The appeal based the distribution of household growth assumed for purposes of comparable Regional Transportation Plans is not accepted because, while SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal) is informed by data for projected housing need through 2045, the 6th Cycle RHNA assessment includes both projected regional housing need and existing regional housing need.

Issue 6: The appeal based on regional greenhouse gas (GHG) emission targets is not accepted since Connect SoCal has demonstrated achievement of all applicable regional GHG emission reduction targets.

Issue 7: The appeal based on the improper application of the adopted RHNA methodology for furthering statutory housing equity objectives is not accepted because the City's inability to allay the costs associated with the implementation of the equitable distribution of housing supply and its limited land resources available to develop the needed housing units does not provide an eligible basis for appeal since RHNA requires a local jurisdiction only to plan and zone for its determined housing need and does not require a local jurisdiction to develop the allocated units.

Issue 8: The appeal based on the improper application of the adopted RHNA methodology relating to the determination of population residing within an HQTAs is not accepted because the adopted

RHNA methodology considers only planned future (2045) HQTAs and the City is anticipated to have HQTAs in 2045 based on eligible transit routes projected to be in service on Euclid Avenue and on Edison Avenue.

Issue 9: The appeal based on a change in local circumstances is not accepted since no evidence was provided to indicate that the City of Chino is disproportionately burdened by COVID-19 impacts relative the rest of the SCAG region.

BACKGROUND:
Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the draft RHNA allocation for the City of Chino is provided below.

Total RHNA Allocation for the City of Chino: 6,961 units

Very Low Income: 2,107 units
Low Income: 1,281 units
Moderate Income: 1,201 units
Above Moderate Income: 2,372 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Chino. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and

their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: The City contends that SCAG failed to adequately consider information related to existing or projected jobs-housing balance [Government Code Section 65584.04(e)(1)].

Government Code Section 65584.04(e)(1) indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

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

The jobs/housing balance in the City of Chino would be negatively impacted with the influx of new residential units as provided in the current RHNA allocation. Most Chino residents commute to work in other cities and adding more residential units would increase the discrepancy between housing and jobs in the City.

SCAG Staff Response: Jobs/housing balance is most effectively assessed at a regional scale, extending beyond the boundaries of any individual jurisdiction. Over 80 percent of workers in the SCAG region live and work in different jurisdictions, a figure that accounts for those who work from home. This requires an approach to the region's jobs/housing relationship based on an assessment of access to regional jobs rather than on the number of jobs located within a particular jurisdiction. Limiting the scope of a jobs/housing balance evaluation to an individual jurisdiction's boundaries may effectively worsen a regional jobs/housing imbalance. Therefore, SCAG staff does not recommend a reduction to the City of Chino's draft RHNA allocation based on this factor.

Issue 2: The City contends that SCAG failed to adequately consider information related to sewer and water infrastructure constraints [Government Code Section 65584.04(e)(2)(A)].

Government Code Section 65584.04(e)(2)(A) indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

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.

Sewer and water infrastructure limitations within the City of Chino are not conducive to the development of the number of new housing units currently allocated through RHNA. Many of the water and sewage utility agencies that serve Chino residents are located outside of the City, and Chino has limited control over the infrastructure expansion decisions made by these external agencies.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water constraints mentioned by the jurisdiction, it is not evident that the respective water providers have rendered decisions that would prevent the jurisdiction from providing the necessary infrastructure. In addition, costs to upgrade and develop appropriate water and sewage infrastructure may not be considered by SCAG as a justification for a reduction since the RHNA allocation only requires a jurisdiction to plan and zone for its determined housing need and is not required to actually develop the allocated units. For these reasons, SCAG staff does not recommend a housing need reduction based upon this planning factor.

Issue 3: *The City contends that SCAG failed to adequately consider information related to availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].*

Government Code Section 65584.04(e)(2)(B) indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

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.

The City of Chino has limited availability of suitable land for urban development or conversion to residential use. Development of the small amount of existing open space within the City is largely curtailed by flood control restrictions, freeway right of way, institutional use, and aviation safety requirements.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(b), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth. For these reasons, SCAG staff does not recommend a reduction to the City of Chino’s RHNA allocation based on this factor.

Issue 4: The City contends that SCAG failed to adequately consider information related to lands protected from urban development under existing federal or state programs [Government Code Section 65584.04(e)(2)(C)].

Government Code Section 65584.04(e)(2)(C) indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

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.

There are undeveloped lands within the City of Chino that are protected from urban development under existing federal or state programs. Specifically, the City includes areas that are designated as flood plain zones and wildlife habitat preservation areas. These conditions restrict the City's ability to develop the housing allocated by RHNA.

SCAG Staff Response: It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted in the appeal that indicates that the status of these areas has changed since the most current input provided in 2018. In addition, while the City of Chino has indicated it cannot accommodate units in these specific areas, sufficient evidence has not been provided to indicate that the City may not accommodate its RHNA allocation in other areas. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere. For these reasons, SCAG staff does not recommend a reduction to the City of Chino's RHNA allocation based on this factor.

Issue 5: *The City contends that SCAG failed to appropriately apply the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(1)] and that SCAG failed to adequately consider information related to distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Government Code Section 65584.04(e)(3)].*

The City of Chino's draft allocation of 6,961 units over the eight-year RHNA planning period is more than twice the number of new units (3,437) forecasted in the 2020 RTP/SCS for the City through the year 2030. This more than doubling of the number of housing units required to be developed will have an impact on the RTP/SCS as it relates to existing infrastructure not only in the City of Chino, but throughout San Bernardino County.

SCAG Staff Response: The appeal based the distribution of household growth assumed for purposes of comparable Regional Transportation Plans is not accepted because, while SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal) is informed by data for projected housing need through 2045, the 6th Cycle RHNA assessment includes both projected regional housing need and existing regional housing need. Projected need is intended to accommodate expected growth of population and households, while existing need reflects the latent housing demand of the current regional population. SCAG has allocated both projected housing need and existing housing need in a manner that is consistent with the development pattern defined by Connect SoCal. The 'projected need' element of the 6th Cycle RHNA is specifically based on the regional development pattern defined in Connect SoCal. The 'existing need' allocation element of RHNA, though not part of Connect SoCal, is also consistent with the Connect SoCal development pattern. SCAG's adopted RHNA methodology allocates 'existing need'

based on factors related to transit and job accessibility. Accordingly, existing need is aligned with the strategies and policies underlying the development pattern in the SCS. In summary, SCAG has allocated total regional housing need (both 'existing need' and 'projected need') consistent with the regional development pattern defined in Connect SoCal. Therefore, SCAG staff does not recommend a reduction to Chino's draft RHNA allocation based on this factor.

Issue 6: The City contends that SCAG failed to adequately consider information related to the region's greenhouse gas (GHG) emission reduction targets [Government Code Section 65584.04(e)(12)]:

Government Code Section 65584.04(e)(12) indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

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

Achievement of regional GHG emission targets will be negatively impacted by the current RHNA allocation for the City of Chino. Adding new housing units in areas where there are no available jobs will result in increased VMT and GHG emissions.

SCAG Staff Response: The 6th cycle RHNA does not change the regional population forecast from Connect SoCal either in 2029 (end of RHNA period) or for any other year during the Connect SoCal growth forecast, including 2035 for which Connect SoCal is required to meet the applicable regional GHG emissions reduction target. While RHNA would require housing units to address existing need over its eight-year planning period, in addition to the growth forecast to address projected need, those additional housing units are intended to serve the existing population and would, therefore, not result in additional regional GHG emissions as argued by the City in its appeal. Since the allocation methodology for existing need is based on transit and job accessibility, it promotes a more efficient development pattern in utilizing public transit, reducing commute distance, and contributing to reduction in regional per capita GHG emissions.

In fact, increasing housing opportunities in location efficient areas is a primary strategy in Connect SoCal for reducing regional GHG emissions. Location efficiency refers to areas where single occupancy vehicle travel is minimized as a result of being near high quality transit amenities or being located near high demand travel destinations, including major employment centers. Correspondingly, RHNA allocations are assigned to jurisdictions based on job accessibility and transit accessibility. Job accessibility is measured as jobs accessible to a jurisdiction's residents within a 30-minute commute based on the number and location of jobs in 2045 as determined by the SCAG Regional Growth Forecast. Transit accessibility is measured by a jurisdiction's share of

regional population that reside within an HQTAs using the 2045 Growth Forecast population projections and the HQTAs locations used for Connect SoCal.

Given the more efficient development pattern, per capita GHG emissions would be reduced in a manner that is consistent with the SCS for meeting the regional GHG emissions targets established by CARB. For this reason, SCAG staff does not recommend a reduction to the City of Chino's draft RHNA allocation based on this factor.

Issue 7: The City contends that SCAG failed to appropriately apply the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(1)] and that SCAG failed to adequately consider local factors information related to the statutory housing equity objectives in Government Code Section 65584(d)(1)-(3).

Government Code Section 65584(d)(1)-(3) indicates that the RHNA shall further each of the following 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.*

The RHNA allocation for the City of Chino would negatively impact the objective of increasing the supply and mix of housing supply in an equitable manner due to the lack of available funding for the development of the allocated affordable housing units. The City has limited ability to develop affordable housing at the allocated number of units due to lack of funding for affordable housing and the loss of redevelopment funding. There is a lack of available land (over 100 acres would be needed) to accommodate the allocated number of affordable units based on default densities and number of required units. The requirement for the City to comply with the no-net loss law (SB 166) may result in land not being developed for either low-income housing or housing at higher densities due to the lack of replacement land if market-rate housing is desired on specific parcels of land. This

may result in land remaining undeveloped for any type of housing. Furthermore, the areas with available land could result in the affordable units being concentrated in one area of the City and not disbursed in an equitable manner throughout the City.

SCAG Staff Response: Costs incurred to develop and construct the allocated new housing units within a jurisdiction may not be considered by SCAG as a justification for a RHNA reduction since the RHNA allocation does not provide a building quota or mandate. A local jurisdiction is only required to plan and zone for its determined housing need and is not required to develop the allocated units.

Issue 8: The City contends that SCAG failed to appropriately apply the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) in regard to the allocation of existing need. The distribution of household growth was improperly applied for the City of Chino, specifically regarding population living within 'High Quality Transit Areas' (HQTAs). The City does not currently include any areas that may be properly designated as an HQTA as defined in the SCAG RTP/SCS.

SCAG Staff Response: The RHNA existing need allocation is assigned to jurisdictions based on job accessibility and transit accessibility. Job accessibility is measured as the number of regional jobs accessible to a jurisdiction's residents within a 30-minute commute, based on the number and location of jobs in 2045 from the Growth Forecast. Transit accessibility is measured as a jurisdiction's share of the total regional population residing within an HQTA in 2045 using the 2045 population projections from the Growth Forecast and the HQTA locations used in support of Connect SoCal. The adopted RHNA methodology considers only planned future (2045) HQTAs. While the City currently has no designated HQTAs, Connect SoCal indicates that in the future the City will have HQTAs, with eligible transit routes expected to be in service on Euclid Avenue and on Edison Avenue in the City of Chino by 2045. For this reason, SCAG staff does not recommend a reduction to the City of Chino's draft RHNA allocation based on this factor.

Issue 9: The City contends that SCAG failed to consider changed circumstances [Government Code 65584.05(b)].

The COVID-19 pandemic has resulted in potentially significant unknown changes in circumstances to the development of housing throughout California. Creating more housing, likely at higher densities for affordable housing, may present a challenge due to needs for social distancing and other concerns related to disease spread. The nature of work and the types of jobs available may also have long-ranging impacts on housing allocation and transportation infrastructure in the region.

SCAG Staff Response: The COVID-19 pandemic has produced many impacts throughout the SCAG region. However, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in demand for housing or housing need. Southern California home prices continue to

increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is reflective of need that covers an eight-year period and is not impacted by immediate near-term circumstances.

SCAG's Regional Council delayed adoption of the 2020-2045 RTP/SCS (Connect SoCal) by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, Connect SoCal's long-range (2045) forecast of population, employment, and household growth remained unchanged. The Connect SoCal 'Demographics and Growth Forecast' Technical Report¹ outlines the process for forecasting long-range employment growth, which involves the evaluation of national growth trends and regional economic competitiveness factors, including the SCAG region's share of national employment growth. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changing the region's long-term economic competitiveness or its employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data does not suggest long-range regional employment impacts due to the pandemic.

Moreover, impacts from COVID-19 are not unique to any individual jurisdiction in the SCAG region, and no evidence has been provided in the appeal to indicate that housing need within the City of Chino is disproportionately impacted relative to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation in response to this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Chino)
2. City of Chino Appeal Request Form and Supporting Documentation
3. Map of High Quality Transit Areas (HQTAs) in the City of Chino
4. Map of Job Accessibility in the City of Chino
5. Comments Received During the Comment Period

¹ https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment describes the nature and timing of the opportunities provided to the City of Chino to offer information and local input on SCAG’s growth forecast, the draft RHNA methodology, and the Growth Vision in support of SCAG’s 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). It also describes how the RHNA methodology development process integrated this information to develop the City of Chino’s Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for development of Connect SoCal and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision, which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. In April 2018, SCAG staff met with City of Chino staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. For the City of Chino, the projected number of households in 2020 was 25,748 and in 2030 was 31,912 (growth of 6,164 households).

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Chino submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to help achieve the SCAG region's GHG emissions reduction targets, as established by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections, may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>

As a result of these strategies, in some jurisdictions, growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at: <http://spmDM.scag.ca.gov>.

Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Chino and incorporated them into the Growth Vision in July 2020.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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. (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to the California Department of Housing and Community Development (HCD) for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section

65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology, which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need”, which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and, “existing need”, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data obtained through Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The Final RHNA Methodology is described in further detail at:

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (“existing need”) and does not affect a change in regional population. For further discussion, see Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of Chino

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, the SCAG Regional Council adopted Connect SoCal on September 3, 2020, and the City of Chino received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Chino as summarized in the data and calculations provided in the following tables.

City of Chino Statistics and Inputs		Calculation of Draft RHNA Allocation for Chino	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	2,803	Forecasted household (HH) growth, RHNA period:	2,803
Percent of households who are renting:	37%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	78
Housing unit loss from demolition (2009-18):	62	Replacement Need:	62
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	8,815	TOTAL PROJECTED NEED:	2,943
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	11.68%	Existing need due to job accessibility (50%):	2,175
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,174,000	Existing need due to HQTAs pop. share (50%):	1,502
Share of region's job accessibility (population weighted):	0.52%	Net residual factor for existing need:	342
		<i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTAs population (2045):	36,717	TOTAL EXISTING NEED:	4,020
Share of region's HQTAs population (2045):	0.36%	TOTAL RHNA FOR THE CITY OF CHINO:	6,961
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	2,107
Share of population in very high-resource tracts:	16.52%	Low income (50-80% of AMI):	1,281
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	1,201
		Above moderate income (>120% of AMI)	2,372

The transit accessibility measure is based on the population projected to live within designated 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and

population forecasts. With a forecasted 2045 population of 36,717 living within HQTAs, the City of Chino will represent 0.36 percent of the SCAG region's total 2045 HQTAs population, which provides the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction's share of regional jobs that are accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached within a 30-minute automobile commute time from a local jurisdiction's median TAZ is used to allocate housing units based on the job accessibility factor. From the City of Chino's median TAZ, it will be possible to reach 11.68 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,174,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

Please note that the above represents only a partial description of the key data and calculations featured in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF COSTA MESA

Hearing Date: January 22, 2021

The City of Costa Mesa has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

Attachment: Determination Regarding Appeal from the City of Costa Mesa (Final Determination of Appeals Decisions)

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. Public Participation

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. HCD Review of Methodology and Adoption by Council of Governments

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Costa Mesa submits an appeal and requests a RHNA reduction of 5,867 units (of its draft allocation of 11,733 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) – failure to adequately consider household growth factors as well as recent studies warranting reevaluation of the adopted Final RHNA Methodology.
2. Availability of land suitable for urban development or for conversion to residential use – unavailable vacant sites, need to redesignate commercial and industrial zoned lands thereby reducing the employment demand factor.
3. Lands protected from urban development under existing federal or state programs – lands adjacent to the airport, protected open space, historic sites, parks, habitat ecosystems.
4. Changed circumstances – COVID-19 pandemic and its lasting impacts on the economy and housing market in the City and County as well as reduced transit ridership and increased work from home, all of which, the City argues, warrant re-evaluation of some of the main factors in the adopted Final RHNA Methodology.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 22, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to

the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph012221fullagn.pdf?1610771065>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public, and the SCAG staff report, the RHNA Appeals Board denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding the application of the methodology, no evidence was provided to support an incorrect application of the adopted RHNA methodology and or that it is inconsistent with the adopted Connect SoCal Plan. It is also outside the scope of the appeals process to change the regional determination provided by the California Department of Housing and Community Development (HCD).
- 2) Regarding the availability of land, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 3) Regarding lands protected from development, no evidence has been provided that the City cannot accommodate its housing need in non-protected areas.
- 4) Regarding change in circumstance, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 22, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Costa Mesa

RECOMMENDED ACTION:

Deny the appeal filed by the City of Costa Mesa to reduce their draft RHNA allocation by 5,867 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Costa Mesa requests a reduction of its RHNA allocation for 5,867 units (from 11,733 units to 5,866 units) based on the following issues:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029)
2. Availability of land suitable for urban development or for conversion to residential use
3. Lands protected from urban development under existing federal or state programs
4. Changed circumstances

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Costa Mesa's RHNA allocation. Regarding Issue 1, no evidence was provided to support an incorrect application of the adopted RHNA methodology and or that it is inconsistent with the adopted Connect SoCal Plan. It is also outside the scope of the appeals process to change the regional determination provided by the California Department of Housing and Community Development (HCD). Regarding Issue 2, the availability of land was not demonstrated to be an impediment to meeting the City's RHNA allocation since it does not provide evidence that it cannot accommodate housing on other areas in the jurisdiction. Regarding Issue 3, for lands protected from development, no evidence has been provided that the City cannot accommodate its housing need in non-protected areas. Finally, in

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Costa Mesa (Final Determination of Appeals Decisions)

regard to Issue 4, change in circumstance, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that the impacts within jurisdiction is disproportionate in comparison to the rest of the SCAG region.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Costa Mesa: 11,733 units
Very Low Income: 2,912 units
Low Income: 1,790 units
Moderate Income: 2,084 units
Above Moderate Income: 4,947 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Costa Mesa. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

The City indicates that it is appealing its draft RHNA allocation based on an incorrect application of the adopted Final RHNA Methodology. It states SCAG failed to adequately consider local household growth factors and utilized growth projects that are inconsistent with the Connect SoCal Plan, and that the draft RHNA allocation is not consistent with the development patterns projected in the same plan. The appeal indicates the City's projected households in 2045 is estimated to reach 44,200 and argues that the household formation defined in the draft RHNA allocation far exceeds any reasonable projection for growth during the 6th cycle housing element period. It further argues that this inconsistency demonstrates that the draft RHNA allocation fails to provide the distribution of units in an equitable manner, which is one of the five objectives of State housing law.

The appeal further indicates that the adopted RHNA methodology artificially allocated 3,778 units of growth to Costa Mesa in order to shift growth within counties to higher resource jurisdictions, and that "SCAG's own growth forecasts do not support this growth." The City argues that with the adopted RHNA methodology not distributing this need regionally instead of by county, the methodology fails to consider regional employment factors and is arbitrary and artificial.

The City also argues that recent studies, such as the Freddie Mac Housing Supply Report and a study by the Embarcadero Institute, warrant re-evaluation of SCAG's adopted RHNA methodology based on its included vacancy rate and calculations. Also, the City asserts that HCD's regional determination exaggerated the state housing need by over 900,000 units.

In addition, the City indicates argues that the SCAG methodology should not include bus service in its definition of high quality transit area (HQTA), which is used to determine housing need based on access to transit. The appeal writes that bus service is not an efficient mode of transportation in Orange County compared to other modes such as commuter rail.

SCAG Staff Response: The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both "projected need" and "existing need". "Projected need" is intended to accommodate the growth of population and households between 2021-2029, and "existing need" reflecting additional latent housing needs in the existing population. On January 13, 2020, HCD's finding that SCAG's draft RHNA methodology (which was later adopted as the final RHNA methodology in March) furthered the statutory objectives of RHNA¹, reflected that the

¹ The objectives are: 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

determination is separated into “projected need” and “existing need” components. Projected need is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan.

SCAG has allocated both “projected need” and “existing need” consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (“Connect SoCal”). The Connect SoCal Forecasted Regional Development Pattern is shown on Exhibit 1 of the Sustainable Communities Strategy Technical Report, p. 13. Specifically, the development pattern includes priority growth areas, incorporated areas, job centers, entitled projects and sphere of influence which together would accommodate 95% of the growth till 2045. The development pattern is a reflection of the strategies and policies contained in Connect SoCal.

The “projected need” portion of the 6th Cycle RHNA is based on the Connect SoCal Growth Forecast and is consistent with the Connect SoCal development pattern. Specifically, each jurisdictional-level growth forecast of households is translated into “projected need” of housing units after adjusting for two factors of vacancy need and replacement needs.

The “existing need” portion, though not part of the Sustainable Communities Strategy, is also allocated consistent with the Connect SoCal development pattern. Specifically, based on SCAG’s adopted RHNA methodology, “existing need” is allocated based on transit and job access (i.e., assign 50% based on jurisdiction’s share of the region’s population within HQTAs and 50% based on a jurisdiction’s share of the region’s jobs that can be accessed within a 30- minute commute). Accordingly, this allocation is aligned with the strategies and policies underlying the development pattern in the SCS, meaning that allocated total regional housing need (“existing need” and “projected need”) is consistent with the Connect SoCal development pattern.

Additionally, as described above and in Attachment 1: Local Input and development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally-reviewed input data and describes data sources and how they are calculated in detail. The basis for an appeal for this factor is the application of the RHNA methodology, and not the RHNA methodology itself, which was a separate but extensive process that involved multiple steps and public involvement leading up to final adoption.

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. (Govt. Code § 65584(d).)

Additionally, the appeal further indicates that the adopted RHNA methodology “artificially allocated” 3,778 units of growth to the City in order to shift growth within counties to higher resource jurisdictions and that SCAG’s own growth forecasts do not support this growth. However, as indicated above, SCAG’s adopted RHNA methodology is consistent with the development pattern of the Connect SoCal plan and projected growth is only one component of the RHNA methodology. The residual need that is shifted to higher resource jurisdictions is consistent with the existing need methodology of distributing growth based on transit and job access, and is therefore also consistent with the strategies of the Connect SoCal plan.

The City argues that recent studies warrant re-evaluation of SCAG’s adopted RHNA methodology based on its included vacancy rate and calculations and that HCD’s regional determination exaggerated the state housing need by over 900,000 units. A report by Freddie Mac’s Economic & Housing Research Group titled “The housing supply shortage: State of the states” was released in February 2020, and a slide deck titled “Double counting in the latest housing needs assessment” was placed on the Embarcadero Institute’s website during 2020 (last update September 2020). Notwithstanding the merits (or lack thereof) of these studies, this material cannot now be considered for re-evaluating the RHNA methodology or the regional determination. As discussed above, the RHNA methodology itself is not a basis for appeal. Furthermore, the RHNA Appeals Board has no authority to change the regional determination. The RHNA statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

Without assessing the merits of the studies, because they were not available during at the time HCD was determining regional housing need, they could not be considered then; and they cannot be considered now that the regional housing need has been determined. Furthermore, these studies are regional in nature and do not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was incorrectly applied to determine the jurisdiction’s share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction’s appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates.

Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation.

With respect to the inclusion of bus service in the Methodology, as explained in the Response to Issue 1, the only basis for an appeal with respect to the adopted RHNA Methodology is the *application* of the methodology and not the RHNA Methodology itself, which was a separate but extensive process that involved multiple steps and public involvement leading up to final adoption.

SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination. For these reasons, SCAG staff does not recommend a reduction to the City of Costa Mesa's draft RHNA allocation based on based on the application of the adopted RHNA methodology.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code section 65584.04(e)(2)(B)].

The City of Costa Mesa indicates in its appeal that it has several major constraints in certain areas that limit or restrict its ability to accommodate its draft RHNA allocation. It highlights three multi-acre vacant sites that are unavailable for development due to binding development agreements or ownership by the State. The appeal states that there are no other substantial vacant lands for residential development in the City.

The appeal also argues that accommodating a significantly sized RHNA allocation would force the City to redesignate commercial and industrial zoned lands to residential, which would limit the City to create jobs and reduce the employment demand factor in the adopted RHNA methodology. It suggests that this conversion is infeasible and that the RHNA methodology should not rely exclusively on the conversion of commercial and industrial uses to accommodate the RHNA allocation.

The appeal further argues that the City will need to find at least 391 acres of available land to accommodate its RHNA need and that to do so it would need to facilitate enough landowners to make their land available for housing through various regulatory incentives. It also adds that "SCAG should have included a reasonable level of analysis as to the availability of land upon which the City would be able to plan for its RHNA" and indicated that they submitted information on this factor to SCAG as part of the local planning factor survey that was used to help develop the RHNA methodology.

Finally, the appeal indicates that high land values have decreased the development of multi-ownerships lots, which impact the determination of whether a non-vacant or underutilized site is feasible or has potential for development. The appeal states that SCAG “should have made some reasonable effort to ascertain the impact of local market conditions on the feasibility for redevelopment or reuse strategies.”

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.² A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs).³ Specifically, the guidelines indicate that (page 32):

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

As such, the City can and must consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

While the City indicates that there are no currently available vacant sites, it does not provide evidence that it is unable to consider underutilization of other sites, increased densities, and other planning tools to accommodate its assigned need. There is also no evidence provided that all other

² See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf.

³ See also Accessory Dwelling Unit Handbook, HCD, September 2020 at <https://www.hcd.ca.gov/policy-research/docs/adu-ta-handbook-final.pdf>

sites within the City are unsuitable for any development, nor is there any supporting evidence that the rezoning of non-residential sites is impossible. Again, SCAG is prohibited from limiting the consideration of suitable sites due to the City's land use restrictions and is required to review alternative methods to meet housing need, neither of which is provided in the appeal application. SCAG reviewed the submitted local planning factors survey submitted by the City, including this particular factor, but for the same reasons outlined in this paragraph did not reduce the City's allocation based on the response submitted.

In regard to housing market conditions, the feasibility of parcel development may fluctuate depending on a multitude of factors, including costs of land and geographical location. However, the feasibility of a parcel's development does not determine housing demand. While it may be more challenging than in previous market conditions to accommodate housing need, a jurisdiction is still required to accommodate its housing need through a variety of tools to determine which sites should be included in its sites inventory analysis in its housing element.

For these reasons, SCAG staff does not recommend a reduction to the City of Costa Mesa's draft RHNA allocation based on this factor.

Issue 3: Lands Protected from Urban Development under Existing Federal or State Programs [Government Code section 65584.04(2)(C)].

The appeal provides several examples of areas where it cannot accommodate growth. Its John Wayne Airport Environs Land Use Plan, for example, has limited ability to develop residential units due to noise impacts and height restricts from the airport. Additionally, the City has 454 acres of protected open space, including historic sites, parks, and habitat ecosystems. The appeal indicates that 25% of the City's land area is developed with public-owned open space, parks, or other public institutional uses and are infeasible for housing development.

SCAG Staff Response: While SCAG staff does not doubt that the City has dedicated open space land and other types of land designations that are protected by federal and State programs, it does not preclude the City from accommodating its housing need in non-protected areas (see also Response to Issue 2 above). To preserve its dedicated protected and open space, SCAG encourages the jurisdiction to consider available land, increased densities, and other alternative zoning tools in non-open space and protected areas to accommodate its RHNA allocation. SCAG reviewed the submitted local planning factors survey submitted by the City as part of the RHNA methodology development, including this particular factor, but for the same reasons outlined in this paragraph did not reduce the City's allocation based on the response submitted. For these reasons, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

Issue 4: Changed Circumstances [Government Code section 65584.05(b)].

The City argues that the COVID-19 pandemic has had lasting and considerable impacts on economy and housing market of the City and Orange County. The appeal indicates that job opportunities in various sectors have been eliminated or are operating a fraction of their pre-COVID-19 levels. There has been an increased vacancy in office uses since more office workers are working from home, and the appeal argues that the potential continuation of this trend warrants a re-evaluation or adjustment in the factors related to the job access consideration in the adopted RHNA methodology.

The appeal indicates that due to COVID-19 transit ridership has significantly decreased. Based on a recent survey by the Orange County Transit Authority (OCTA), there has been an increase in work-from-home employment. The same survey indicated that ridership of bus lines starting and ending in the City have decreased by about 50,000 riders per month. Because of this, the appeal argues that a re-evaluation of “some of the main factors included in the RHNA methodology that resulted in a disproportionate distribution of units to cities like Costa Mesa with strong job markets.”

SCAG Staff Response: SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.” (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report⁴ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term competitiveness or the region’s employment outlook for 2023-2045. As such, SCAG’s assessment is that comparable data would not suggest long-range regional employment declines.

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties.

Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

Furthermore, it is speculative at this time to assume the level of long-term impacts that would affect the Final RHNA Allocation Plan which reflects existing and projected housing needs for the next eight years. Also, as a procedural matter, the City fails to explain how its requested revision (downward adjustment to 5,867 units) is justified by the data presented and how the revision would further the intent of the objectives in Section 65584(d).

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's Draft RHNA Allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Costa Mesa)
2. Appeal Form and Supporting Documentation (City of Costa Mesa)
3. Comments Received During the Comment Period (General)
4. CostaMesa_hqta
5. CostaMesa_jobaccess

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Costa Mesa had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Costa Mesa’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁵ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁶ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Costa Mesa, the anticipated number of households in 2020 was 41,984 and in 2030 was 42,465 (growth of 481 households). In March 2018, SCAG staff and CDR staff met with

⁵ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁶ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff from the City of Costa Mesa to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Costa Mesa submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Costa Mesa and incorporated them into the Growth Vision in December 2019. The City of Costa Mesa's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d).)

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁷ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

⁷ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Costa Mesa

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Costa Mesa received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Costa Mesa as summarized in the data and calculations in the tables below.

Costa Mesa city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	397
Percent of households who are renting:	61%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	2,285
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	18.44%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,853,000
Share of region's job accessibility (population weighted):	0.84%
Jurisdiction's HQTAs population (2045):	98,804
Share of region's HQTAs population (2045):	0.97%
Share of population in low/very low-resource tracts:	19.20%
Share of population in very high-resource tracts:	8.21%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Costa Mesa city	
Forecasted household (HH) growth, RHNA period:	397
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	14
Replacement Need	-
TOTAL PROJECTED NEED:	411
Existing need due to job accessibility (50%)	3501
Existing need due to HQTAs pop. share (50%)	4042
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	3778
TOTAL EXISTING NEED	11322
TOTAL RHNA FOR COSTA MESA CITY	11733
Very-low income (<50% of AMI)	2912
Low income (50-80% of AMI)	1790
Moderate income (80-120% of AMI)	2084
Above moderate income (>120% of AMI)	4947

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 98,804 living within HQTAs, the City of Costa Mesa represents 0.97% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be

reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the [City of Costa Mesa]’s median TAZ, it will be possible to reach 18.44% of the region’s jobs in 2045 within a 30-minute automobile commute (1,853,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 3,778 units assigned to the City of Costa Mesa.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF DOWNEY

Hearing Date: January 8, 2021

The City of Downey has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Downey submits an appeal and requests a RHNA reduction of an unspecified number of units (of its draft allocation of 6,510 units). The grounds for appeal are as follows:

- 1) Existing and projected jobs-housing balance - the City of Downey claims that there were inconsistencies with the City's employment forecasting compared to SCAG's SED estimates and data map book.
- 2) Availability of land suitable for urban development or for conversion to residential use - the City of Downey claims it is a built-out urban area with limited land availability and existing infrastructure is aged more than 50 years so any improvements to existing water and sewer systems needed will serve as a deterrent to housing developers.
- 3) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans - the City of Downey claims its RHNA allocation is not consistent with its current growth projections.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 8, 2021, at a noticed public hearing. The City declined the opportunity to present their appeal to the RHNA Appeals Board. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna->

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

[abph010821fullagn.pdf?1609455450](https://scag.ca.gov/rhna-abph010821fullagn.pdf?1609455450)). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding the application of the Final RHNA Methodology, SCAG has reviewed input data and found no inconsistency between City forecasts and SCAG's forecasts.
- 2) Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need. Additionally, evidence from a utility service provider that would preclude the construction of new housing was not demonstrated.
- 3) Regarding distribution of household growth assumed for purposes of comparable Regional Transportation Plans, the City of Downey's RHNA allocation was assigned in a manner consistent with the development pattern in Connect SoCal.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 8, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Downey

RECOMMENDED ACTION:

Deny the appeal filed by the City of Downey (City) requesting SCAG conduct an assessment to verify the City's projected population and job growth.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Downey requests SCAG conduct an assessment to verify the City's projected population and job growth and, it asserts three bases for the appeal:

1. Existing and projected jobs-housing balance
2. Availability of land suitable for urban development or for conversion to residential use
3. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Downey's RHNA allocation.

Regarding Issue 1, SCAG has reviewed input data and found no inconsistency between city forecasts and SCAG's; however, the majority of the City's Draft RHNA Allocation is based on existing need measures rather than projected growth. Issue 2 was not demonstrated to be an impediment since housing legislation does not preclude consideration of all non-vacant sites or alternate zoning, which is required to be considered. Additionally, evidence from a utility service provider that would

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To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

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Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Downey (Final Determination of Appeals Decisions)

preclude the construction of new housing was not demonstrated. Regarding Issue 3, the City of Downey's RHNA allocation was assigned in a manner consistent with the development pattern in Connect SoCal.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Downey:	6,510 units
Very Low Income:	2,074 units
Low Income:	944 units
Moderate Income:	913 units
Above Moderate Income:	2,579 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Downey. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Existing or projected jobs-housing balance [Govt. Code § 65584.04(e)(1)].***

The City of Downey claims that there were inconsistencies with the City's employment forecasting compared to SCAG's SED estimates and data map book. Specifically, the City provided a response identifying that the baseline population estimate was higher than Census estimates and the California Department of Finance (CA DOF) population estimates, and requests SCAG to conduct an assessment that is reflective of the City's accurate projection of population and job growth.

SCAG Staff Response: Please see staff report Attachment 1, "Local Input and Development of Draft RHNA Allocation" which describes the extent of local engagement and review opportunities provided to local jurisdictions on the employment job forecast. Review opportunities began in October 2017. While the initial deadline for input was October 2018, additional review opportunities were provided to all local jurisdictions through June 2020.

In May 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions about the RHNA and Connect SoCal process. Input from the City of Downey on the growth forecast was received in October 2018 and SCAG revised the preliminary population, household and employment data for the City of Downey based on that input. The final population, household and employment data were reviewed and verified by the City in October 2018 as shown in the City of Downey Data Input and Verification Form, attached to this staff report. SCAG received additional technical corrections from the City of Downey and incorporated them into the Growth Vision in late 2019. The City of Downey's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process, since that data was reflective of the policies and strategies of the Plan. Therefore, SCAG has already reviewed and incorporated the City of Downey's input on its projected population, household and employment data and does not recommend a reduction to the jurisdiction's draft RHNA allocation based on this factor.

While the City attests that there are inconsistencies in forecast data, forecasted growth comprises only one part of SCAG's adopted 6th cycle RHNA methodology. In Downey's case, only 480 units of its draft allocation (7.4 percent) are due to projected need. The remainder are due to existing need measures, namely transit accessibility and job accessibility.

The adopted RHNA methodology includes a calculation of job accessibility as one of the factors to determine a jurisdiction's draft RHNA allocation. Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute (additional details are found in the adopted RHNA methodology). This is **not** a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction's residents, which can

include jobs outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which calls for an approach to the region’s job housing relationship through the measurement of access rather than number of jobs within a certain jurisdiction. Specifically, as indicated in Attachment 1 of this staff report, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Downey’s median TAZ, it will be possible to reach 20.94% of the region’s jobs in 2045 within a 30-minute automobile commute (2,104,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs), as shown in the Map of Job Accessibility in the City of Downey, attached to this staff report.

These existing need measures follow the policy direction of SCAG’s Regional Council as expressed in the 6th cycle RHNA methodology. The RHNA methodology itself cannot be changed through the appeals process and as such staff cannot recommend a reduction on this basis.

Issue 2: Availability of land suitable for urban development [Govt. Code § 65584.04(e)(2)(B)].

The City of Downey claims that they are a built-out urban area with limited land availability and existing infrastructure is aged more than 50 years so any improvements to existing water and sewer systems needed will serve as a deterrent to housing developers who are not able to bear the cost of infrastructure improvements in addition to land and construction costs. The City of Downey also claims that recent legislation like SB 166 and AB 1397 will hinder housing developers from wanting to develop housing in their city due to requirements of maximizing underdeveloped or underutilized sites.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of ‘available’ land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or

alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth. Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories which considers AB 1397's changes¹. A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, the guidelines indicate that (page 32):

"In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance."

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to allocate RHNA need. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

In addition, costs to upgrade and develop appropriate infrastructure and comply with recent legislation cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not required to develop the assigned units.

Issue 3: Distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Govt. Code § 65584.04(e)(3)].

The City of Downey claims its RHNA allocation is not consistent with its current growth projections. The prior growth projections overestimated the City's growth forecasts by 8.6% to 13.4 % in different categories.

SCAG Staff Response: Each jurisdiction, including the City of Downey's RHNA allocation has two components: the projected need and existing need. The projected need component is primarily based on household growth in Connect SoCal, SCAG's 2020-2045 Regional Transportation Plan which was fully adopted in September 2020. As described in Attachment 1, the City's projected need consists of 480 units. Specifically, household growth for the city during the RHNA projection period is for 402 units. In addition, there are two adjustment factors of vacancy need (13 units) and replacement need (65 units). The projected need for the city is the sum of household growth, vacancy need and replacement need. As described under Issue 1, the City reviewed and verified the

¹ See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

forecasted population, household and employment data (see Data Input and Verification Form, attached).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. As determined by HCD, a large share of the region's housing need is based on factors other than future household growth and can be characterized as existing need. The existing need of the City (6,029 units) is its share of the regional existing need based on HQTAs population share (1,678 units) and job accessibility (3,830 units), considering opportunities to maximize the use of public transportation and existing transportation infrastructure. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e., "existing need") and would not result in a change in regional population. SCAG's RHNA methodology explicitly ensures that these units are allocated to jurisdictions across the region based on measures of transit and job accessibility such that future housing development can maximize the use of public transportation and existing infrastructure.

Ultimately, the Regional Transportation Plan/Sustainable Communities Strategy is a related, but separate process from the Regional Housing Needs Assessment. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. In contrast, the Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given, among other factors described above, the availability of zoned capacity. For further discussion see Attachment 1 as well as Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf

In summary, the City of Downey's RHNA allocation is consistent with the distribution of household growth envisioned in Connect SoCal and maximizes the use of public transportation and existing transportation infrastructure. For this reason, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Downey)
2. Appeal Form and Supporting Documentation (City of Downey)



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3. SCAG's Objection to HCD's Regional Housing Need Determination
 4. Embarcadero Institute Report
 5. Freddie Mac Economic and Housing Research Insight
 6. Data Input and Verification Form (City of Downey)
 7. Map of Job Accessibility in the City of Downey
 8. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Downey had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Downey's Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Downey, the anticipated number of households in 2020 was 34,424 and in 2030 was 35,437 (growth of 1,013 households). In May 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of Downey on the growth forecast was received in October 2018. Following input, household totals

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

were 32,840 in 2020 and 33,327 in 2030 (growth of 487 households), for a reduced household growth during this period of 567 compared to the preliminary growth forecast data.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Downey submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities.

SCAG received additional technical corrections from the City of Downey and incorporated them into the Growth Vision in late 2019. The City of Downey's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Downey

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Downey received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Downey as summarized in the data and calculations in the tables below.

Downey city statistics and inputs:		Calculation of Draft RHNA Allocation for Downey city	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	402	Forecasted household (HH) growth, RHNA period:	402
Percent of households who are renting:	49%	Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	13
Housing unit loss from demolition (2009-18):	65	Replacement Need	65
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,279	TOTAL PROJECTED NEED:	480
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	20.94%	Existing need due to job accessibility (50%)	3830
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,104,000	Existing need due to HQTAs pop. share (50%)	1678
Share of region's job accessibility (population weighted):	0.92%	Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	520
Jurisdiction's HQTAs population (2045):	41,029	TOTAL EXISTING NEED	6029
Share of region's HQTAs population (2045):	0.40%	TOTAL RHNA FOR DOWNEY CITY	6510
Share of population in low/very low-resource tracts:	0.02%	Very-low income (<50% of AMI)	2074
Share of population in very high-resource tracts:	0.00%	Low income (50-80% of AMI)	944
Social equity adjustment:	150%	Moderate income (80-120% of AMI)	913
		Above moderate income (>120% of AMI)	2579

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 41,029 living within HQTAs, the

City of Downey represents 0.40% of the SCAG region's HQT population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Downey's median TAZ, it will be possible to reach 20.94% of the region's jobs in 2045 within a 30-minute automobile commute (2,104,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 520 units assigned to the City of Downey.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF EL MONTE

Hearing Date: January 11, 2021

The City of El Monte has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of El Monte submits an appeal and requests a RHNA reduction of 3,136 units (of its draft allocation of 8,481 units). The grounds for appeal are as follows:

1. Lack of available land suitable for urban development – the City indicates that it is fully built out with limited available developable land.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 11, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011121fullagn_0.pdf?1609868354). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

C. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding lack of available land suitable for urban development, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need. While the City has demonstrated significant progress toward creating increased residential opportunities proximal to its two major transit stations, additional efforts need to be extended to accommodate forecasted household growth and existing housing need.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Michael Gainor, Senior Regional Planner,
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of El Monte

RECOMMENDED ACTION:

Deny the appeal filed by the City of El Monte (the City) to reduce its Draft RHNA Allocation from its current draft allocation of 8,481 units to 5,345 units, a reduction of 3,136 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

SUMMARY OF APPEAL:

The City of El Monte requests a reduction of its RHNA allocation of 8,481 residential units based on the following issue:

- 1) Lack of available land suitable for urban development.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal submitted by the City of El Monte and recommend no change be made to the City’s RHNA allocation.

Issue 1 was not accepted because state law housing requires that consideration of the availability of land suitable for residential development must include land uses other than vacant land.

While the City has demonstrated significant progress toward creating increased residential opportunities proximal to its two major transit stations, additional efforts need to be extended to accommodate forecast household growth and existing housing need.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of El Monte (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the draft RHNA allocation for the City of El Monte is provided below.

Total RHNA Allocation for the City of El Monte: 8,481 units

Very Low Income: 1,792 units

Low Income: 851 units

Moderate Income: 1,230 units

Above Moderate Income: 4,608 units

Additional background information related to the draft RHNA allocation for the City of El Monte is included in Attachment 1.

Summary of Comments Received During 45-day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of El Monte. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:**Issue 1: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].**

The City of El Monte indicates that it is fully built-out and its availability of developable land is limited. As a result, the City has very limited opportunities for new residential development on existing vacant lands. In its appeal, the City provides an overview of several sites that it is planning to accommodate a portion of its RHNA allocation, including locations within close proximity to high quality transit amenities, including the City’s Metrolink Station and the El Monte Transit Center. The City also includes an analysis of currently designated sites that could accommodate a limited number of units through increased density and mixed-use opportunities. However, since single family and multi-family zones are built out, infill opportunities are limited. The City concludes in its appeal that its draft allocation of 8,481 new housing units within the eight-year RHNA planning period is more than may be reasonably accommodated.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land.

As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

While the City of El Monte’s pursuit of transit-accessible housing opportunities near its major transit facilities is recognized, SCAG is not able to reduce the City’s RHNA allocation based on its assertion that it is a built-out community, particularly if constraints are due to existing zoning established by the City. The City cites to limitations due to its general plan, specific plans, and various other zoning restrictions. The City should seek alternative means for accommodating the needed housing units.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input & Development of Draft RHNA Allocation (City of El Monte)
2. City of El Monte RHNA Appeal Letter
3. Map of High Quality Transit Areas in the City of El Monte (2045)
4. Map of Job Accessibility in the City of El Monte (2045)
5. City of El Monte Data Input Verification Form

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of El Monte had to provide information and local input on SCAG’s growth forecast, the adopted RHNA methodology, and the Growth Vision of the 2020 RTP/SCS (Connect SoCal). It also describes how the RHNA Methodology development process integrated this information to develop the City of El Monte’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data in preparation for development of Connect SoCal and the 6th cycle of RHNA.¹ Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.² While the local input process materials focus principally on jurisdiction level and Transportation Analysis Zone (TAZ) level growth; input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of El Monte, the anticipated number of households in 2020 was 28,115 and in 2030 was 30,449 (growth of 2,334 households). In January 2018, SCAG staff met with jurisdictional staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. Input from the City of El Monte on the growth forecast was received in November 2018. Following input, household totals

¹ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year period and requires local jurisdictions to make available sufficient zoning capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

² A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

were updated to 28,172 in 2020 and 31,145 in 2030, for a revised household growth during this period of 2,973.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of El Monte submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region's GHG reduction targets, as provided by the California Air Resources Board (CARB) in accordance with state planning law.

Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be found at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>

As a result of these strategies, in some jurisdictions, growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site:

<http://spmDM.scag.ca.gov>

Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of El Monte from which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- 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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in

Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.³ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQT) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data obtained through the Connect SoCal Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

³ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and do not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of El Monte

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of El Monte received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of El Monte as summarized in the data and calculations featured in the table below.

City of El Monte Statistics and Inputs		Calculation of Draft RHNA Allocation for El Monte	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	2,453	Forecasted household (HH) growth, RHNA period:	2,453
Percent of households who are renting:	60%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	88
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	8,482	TOTAL PROJECTED NEED:	2,541
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	13.51%	Existing need due to job accessibility (50%):	2,851
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,358,000	Existing need due to HQTa pop share (50%):	3,558
Share of region's job accessibility (population weighted):	0.68%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	-468
Jurisdiction's HQTa population (2045):	86,985	TOTAL EXISTING NEED:	5,951
Share of region's HQTa population (2045):	0.85%	TOTAL RHNA FOR THE CITY OF EL MONTE:	8,481
Share of population in low/very low-resource tracts:	94.69%	Very-low income (<50% of AMI):	1,792
Share of population in very high-resource tracts:	0.00%	Low income (50-80% of AMI):	851
Social equity adjustment:	180%	Moderate income (80-120% of AMI):	1,230
		Above moderate income (>120% of AMI):	4,608



The transit accessibility measure is based on the population anticipated to live within ‘High Quality Transit Areas’ (HQTAs) in 2045 based on Connect SoCal’s designation of HQTAs and its population forecasts. With a forecasted 2045 population of 86,985 living within HQTAs, the City of El Monte will account for 0.85 percent of the SCAG region’s total 2045 HQTA population, which provides the basis for allocating housing units based on the transit accessibility factor.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on job accessibility. From the City of El Monte’s median TAZ, it will be possible to reach 13.51 percent of the region’s jobs in 2045 within a 30-minute automobile commute (1,358,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

While allocating housing need on the basis of job and transit accessibility is consistent with the statutory objectives of RHNA and represents factors in which El Monte scores highly, in the SCAG region many jurisdictions with especially high job and transit accessibility are lower-income and lower-resourced. The methodology applies a maximum to these ‘Disadvantaged Communities’ (DACs) equal to the 2045 household growth forecast, as described above. While El Monte’s existing need factors score highly, as a DAC, a residual factor of -468 units has been applied to ensure that the City’s total RHNA housing unit need of 8,481 units does not exceed its 2020-2045 forecasted household growth plus approximately three percent.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF FONTANA

Hearing Date: January 6, 2021

The City of Fontana has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Fontana submits an appeal and requests a RHNA reduction of 10,563 units (of its draft allocation of 17,477 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th cycle RHNA (2021 – 2029) - inconsistency with the household growth projections determined in the Connect SoCal Plan.*
2. Sewer or water infrastructure constraints – City does not have adequate water supply capacity based on the local water provider's Urban Water Management Plan.
3. Changed circumstances - COVID-19 pandemic severely impacting the City's economy and the development capacity of the private housing market. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA.

*In the RHNA Appeal Request Form, the City checked the local planning factor "Distribution of household growth assumed for purposes of comparable Regional Transportation Plan." It appears that the City discusses this factor in the context of the RHNA Methodology.

B. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 6, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna->

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

[abph010621fullagn.pdf?1609379165](https://scag.ca.gov/rhna-subcommittee)). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

1) Regarding the application of the RHNA methodology, SCAG has allocated total regional housing need ("existing need" and "projected need") consistent with the Connect SoCal development pattern. Please see Attachment 1 to the staff report, "Local Input and Development of Draft RHNA Allocation". Further, SCAG reviewed a wide range of reports to develop the RHNA methodology, and SCAG does not have the authority to further appeal the regional determination.

2) Regarding the availability of existing water and sewage infrastructure, because it is not evident that the water providers have rendered decisions that would prevent the jurisdiction from providing the necessary infrastructure. Also, costs to upgrade and develop appropriate water and sewage infrastructure may not be considered as a justification for a reduction in a RHNA allocation.

3) Regarding change in circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 6, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager II,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Fontana

RECOMMENDED ACTION:

Deny the appeal filed by the City of Fontana (the City) to reduce its draft RHNA allocation by 10,563 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEALS:

The City of Fontana requests a reduction of its RHNA allocation by 10,563 units (from 17,477 units to 6,914 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th cycle RHNA (2021 – 2029) is inconsistent with the household growth projections determined in the Connect SoCal Plan.*
- 2) 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.
- 3) Changed circumstances due to the COVID-19 pandemic severely impacting the City’s economy and the development capacity of the private housing market.

*In the RHNA Appeal Request Form, the City checked the local planning factor “Distribution of household growth assumed for purposes of comparable Regional Transportation Plan.” It appears that the City discusses this factor in the context of the RHNA Methodology.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Fontana (Final Determination of Appeals Decisions)



RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Fontana RHNA allocation.

Issue 1: SCAG has allocated total regional housing need (“existing need” and “projected need”) consistent with the Connect SoCal development pattern. Please see staff report Attachment #1, “Local Input and Development of Draft RHNA Allocation”. SCAG has reviewed a wide range of reports to develop the RHNA methodology, and SCAG does not have the authority to further appeal the regional determination. As such, SCAG staff do not recommend granting an appeal on these bases.

Issue 2: The City has not provided evidence that the respective provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. Further, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA does not require that the assigned unit be developed. As such, SCAG staff do not recommend granting an appeal on this basis.

Issue 3: The long-term impacts of COVID-19 are speculative at this point and are not unique to any single SCAG jurisdiction, and the City has not provided evidence that housing need within Fontana is disproportionately impacted in comparison to the rest of the SCAG region. As such, SCAG staff do not recommend granting an appeal on this basis.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA Allocation for the City of Fontana: 17,477

Very Low Income: 5,096

Low Income: 2,943

Moderate Income: 3,029

Above Moderate Income 6,409

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Fontana. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(1)].

The City of Fontana claims that SCAG's adopted RHNA methodology fails to consider growth projections consistent with the Connect SoCal Plan. The City argues that SCAG failed to adequately consider local household growth factors and utilized growth projections inconsistent with Connect SoCal. The City asserts that the RHNA allocation assumes a household growth rate 2.5 times above Connect SoCal forecasts and the City believes that future growth need should be directly tied to projected growth stated within the Connect SoCal.

Further, the City cites a Freddie Mac report (February 2020) which indicates that the entire state of California has a shortage of 820,000 housing units, which is lower than the 1.34 million provided by HCD for the SCAG region alone. The City argues that based on the findings provided by the Freddie Mac Report, the total regional allocation should be reduced to 392,075.

SCAG Staff Response: The City asserts that "SCAG's proposed methodology is inconsistent with the household growth projects determined in the Connect SoCal Plan." An appeal citing the adopted (not proposed) RHNA methodology as its basis must appeal the application of the methodology, not the methodology itself. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction. The City has not provided evidence of such a data error or any other misapplication of the adopted RHNA methodology, and thus, the City

cannot appeal under this basis. Moreover, appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology and supported by adequate documentation.

It is important to note that the regional determination is not a basis for appeal per the adopted RHNA Appeals procedures as it is not within the authority of the Appeals Board to make changes. SCAG staff fully considered the input provided by the City of Fontana during the development of the Integrated Growth Forecast and incorporated this input into the development of projected need for the City's draft RHNA Allocation. SCAG has allocated both "projected need" and "existing need" consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy ("Connect SoCal"). For further details regarding SCAG's RHNA Methodology please refer to Attachment 1, "Local input and development of draft RHNA allocation". When accounting for total projected and existing need, Fontana's Draft RHNA Allocation is 17,477 units.

Further, SCAG's development of a consultation package to HCD regarding the regional housing needs determination took place during the first half of 2019. During this time SCAG extensively reviewed a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and state. On March 27, 2019 SCAG convened a panel of fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, state statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow sufficient time for the development of a methodology, appeals, and local housing element updates.

In February 2020 national home lending agency Freddie Mac's Economic & Housing Research group prepared a national analysis of housing supply shortages titled "The Housing Supply Shortage: State of the States" (the Freddie Mac report). This information cannot now be considered for adjusting HCD's regional housing needs determination. The RHNA statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

The defined timeframes are guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This "determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

Without assessing the merits of the report, because the Freddie Mac report was not available during at the time HCD was determining regional housing need, it could not be considered then; and it cannot be considered now that the regional housing need has been determined. Furthermore, the Freddie Mac report is regional in nature and does not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was applied incorrectly to determine the jurisdiction's share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation. For these reasons, SCAG staff do not recommend a reduction to Fontana's Draft RHNA Allocation.

Issue 2: The City contends that SCAG failed to adequately consider information related to sewer and water infrastructure constraints [Government Code Section 65584.04(e)(2)(A)].

Government Code Section 65584.04(e)(2)(A) indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

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.

The City of Fontana argues that the City does not have adequate water supply capacity to accommodate development of the 2021-2029 RHNA allocation. The City also argues that SCAG's methodology failed to consider a lack of sewer availability. The City states that a lack of available infrastructure creates challenges in subdividing property for infill development or increased density as well as direct constraints to potential new development where water and sewer connections are not adequate, thereby putting additional strain on the City and districts that control water and sewer connections.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water and sewer constraints mentioned by the jurisdiction, it is not evident that the respective providers have rendered decisions that would prevent the jurisdiction from providing necessary infrastructure.

In addition, costs to upgrade and develop appropriate water and sewage infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA allocation only requires a jurisdiction to plan and zone for its determined housing need and is not required to actually develop the allocated units. In other words, the RHNA allocation is not a building quota. For these reasons, SCAG staff do not recommend a housing need reduction based upon this planning factor.

Issue 3: *The City contends that SCAG failed to consider changed circumstances [Government Code 65584.05(b)].*

The City of Fontana argues that the COVID-19 pandemic presents an unforeseen changed circumstance that has severely impacted the City's economy, the current and future housing market and impacted the development capacity of the private market to create housing within Fontana. The City also argues that due in part of the COVID-19 pandemic, the state of California is experiencing population growth levels at historically low levels, which also merits a revision to the draft RHNA allocation.

SCAG Staff Response: SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04." (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report¹ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e. the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term competitiveness or the region’s employment outlook for 2023-2045. As such, SCAG’s assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s Draft RHNA allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Methodology (City of Fontana)
2. City of Fontana Appeal Request Form and Supporting Documentation
3. Map of High Quality Transit Areas in the City of Fontana (2045)
4. Map of Job Accessibility in the City of Fontana (2045)

Comments Received During the Comment Period

¹ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Fontana had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Fontana’s Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal) and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Fontana, the anticipated number of households in 2020 was 55,139 and in 2030 was 66,769 (growth of 11,630). On March 26, 2018, SCAG staff met with staff from the City of Fontana to discuss the

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Bottom-Up Local Input and Envisioning Process and answer questions. Following input, household totals were 55,139 in 2020 and 64,192 in 2030, for a reduced household growth during this period of 9,053.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Fontana submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Fontana and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Final RHNA Methodology and Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the Covid-19 pandemic, SCAG adopted of Connect SoCal on September 3, 2020, and the City

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and does not affect a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

of Fontana received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Fontana as summarized in the data and calculations in the tables below.

City of Fontana Statistics and Inputs		Calculation of Draft RHNA Allocation for Fontana	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	7,469	Forecasted household (HH) growth, RHNA period:	7,469
Percent of households who are renting:	36%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	205
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	23,494	TOTAL PROJECTED NEED:	7,674
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	11.50%	Existing need due to job accessibility (50%):	5,058
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,155,000	Existing need due to HQTa pop. share (50%):	3,911
Share of region's job accessibility (population weighted):	1.21%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	835
Jurisdiction's HQTa population (2045):	95,605	TOTAL EXISTING NEED:	9,804
Share of region's HQTa population (2045):	0.93%	TOTAL RHNA FOR THE CITY OF FONTANA:	17,477
Share of population in low/very low-resource tracts:	35.08%	Very-low income (<50% of AMI):	5,096
Share of population in very high-resource tracts:	8.85%	Low income (50-80% of AMI):	2,943
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	3,029
		Above moderate income (>120% of AMI)	6,409

The transit accessibility measure is based on the population anticipated to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 95,605 living within HQTAs, the City of Fontana



represents 0.93% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on job accessibility. From the City of Fontana median TAZ, it will be possible to reach 11.5% of the region’s jobs in 2045 within a 30-minute automobile commute (1,155,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 835 units assigned to the City of Fontana.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF FOUNTAIN VALLEY

Hearing Date: January 19, 2021

The City of Fountain Valley has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- “(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.
- (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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Fountain Valley submits an appeal and requests a RHNA reduction of 3,455 units (of its draft allocation of 4,827 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - the procedure for the November 2019 regional council decision which yielded the draft RHNA methodology was insufficiently transparent.
- 2) Availability of land suitable for urban development or conversion to residential use – the City lacks suitable sites.
- 3) Affirmatively furthering fair housing – the City identifies seven potential sites and indicates that developing affordable housing in those locations could lead to overconcentration of low-income units and a segregated living pattern in the City.
- 4) Changed circumstances – the City indicates the allocation was based on an incomplete replacement need survey and that Covid-19 has changed conditions.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 19, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to

the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011921fullagn.pdf?1610770557>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the Final RHNA Methodology, SCAG undertook an extensive process to develop the draft and final methodology including numerous opportunities for input by local jurisdictions; the City's objection to the adopted Final RHNA Methodology is not a valid basis for an appeal.
- 2) Regarding availability of land suitable for urban development or conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 3) Regarding affirmatively furthering fair housing, the City's allocation of low and very low-income units is consistent with the social equity adjustment in the Final RHNA Methodology.
- 4) Regarding changed circumstances, updated information on replacement need was submitted too late in the process to be considered in the draft RHNA allocation process. Additionally, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

During the appeals hearing, the Appeals Board requested additional information regarding County level share of units by income (regional data was provided in the staff report). SCAG staff provided additional data on existing and County level data as follows:

	Fountain Valley Existing	Fountain Valley Draft Allocation	Orange County	SCAG Regional Determination
Very-low income	22.3%	27.0%	25.0%	26.2%
Low income	15.4%	16.2%	15.9%	15.4%
Moderate Income	18.9%	17.2%	17.8%	16.7%
Above-moderate Income	43.4%	39.5%	41.7%	41.7%

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City’s appeal and finds that the City’s RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG’s Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 19, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft Allocation for the City of Fountain Valley

RECOMMENDED ACTION:

Deny the appeal filed by the City of Fountain Valley to reduce the draft RHNA allocation for the City of Fountain Valley by 3,455 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Fountain Valley requests a reduction of its RHNA allocation from 4,827 units to 1,372 units (3,455 units). The requested reduction is equivalent to the total allocation which Fountain Valley would have received under a draft version of the RHNA methodology, which was considered, but ultimately defeated at the November 2019 Regional Council meeting. Fountain Valley bases its appeal on the following:

- 1) Application of the adopted final RHNA methodology for the 6th Cycle RHNA (2021 – 2029) - the procedure for the November 2019 regional council decision which yielded the draft RHNA methodology was insufficiently transparent.
- 2) Availability of land suitable for urban development or conversion to residential use – the City lacks suitable sites.
- 3) Affirmatively furthering fair housing – the City identifies seven potential sites and indicates that developing affordable housing in those locations could lead to overconcentration of low-income units and a segregated living pattern in the City.
- 4) Changed circumstances – the City indicates the allocation was based on an incomplete replacement need survey and that Covid-19 has changed conditions.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Fountain Valley (Final Determination of Appeals Decisions)

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Fountain Valley's RHNA allocation.

Regarding Issue 1, SCAG undertook an extensive process to develop the draft and final methodology including numerous opportunities for input by local jurisdictions; the City's objection to the adopted final RHNA methodology is not a valid basis for an appeal.

Regarding Issues 2 and 3, State law requires the consideration of alternative land use opportunities including, for example, alternative zoning and accessory dwelling units, and the City does not provide sufficient evidence that it cannot accommodate the allocation. As such, we do not recommend granting the appeal on these bases.

Regarding Issue 4, updated information on replacement need was submitted too late in the process to be considered in the draft RHNA allocation process. Furthermore, impacts from COVID-19 are not unique to any single SCAG jurisdiction and the City has not provided evidence that housing need within Fountain Valley is disproportionately impacted in comparison to the rest of the SCAG region. As such, we do not recommend granting an appeal on these bases.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the final RHNA methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Fountain Valley : 4,827 units

Very Low Income: 1,304 units

Low Income: 784 units

Above Moderate Income: 1,937 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Fountain Valley. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted final RHNA methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

The City of Fountain Valley claims that the adoption of the draft RHNA methodology on 11/7/2019, was insufficiently transparent and did not provide ample opportunity for review. This is especially important in Fountain Valley who received a draft allocation of 4,827 units compared to 1,372 in a previously recommended version. Fountain Valley claims, but does not provide evidence of, "violations of procedural by-laws." The City also suggests that the adopted methodology "fails to account for local input and growth forecast data," and "was unable to be analyzed for potential impacts by SCAG staff before the vote of the Regional Council."

SCAG Staff Response: An appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself or the manner in which the methodology was adopted. Nevertheless, SCAG respectfully disagrees with the characterizations of the actions of the Regional Council as set forth by the City as SCAG properly adopted the RHNA methodology.

First, the SCAG Regional Council took action on both the draft and final RHNA methodology pursuant to properly noticed agendas, and every member of the Regional Council, in addition to a significant number of members of the public, had ample opportunity to place on the record, both in writing and in person, their respective input for the Regional Council's consideration. For example, no less than fourteen (14) letters were acknowledged on the record and these were made available for public and SCAG review prior to the Regional Council's action on the draft methodology, all in compliance with applicable law.

Further, many members of the public offered oral testimony on the draft RHNA methodology both in support of the original staff recommendation and in support of the alternative draft RHNA methodology that was ultimately approved after a robust discussion among the Regional Council, with staff offering input and answering questions as requested. Both methodologies had been presented in the staff report that was published in the November 7th Regional Council meeting agenda in advance of the meeting in accordance with applicable law. Finally, members of the Regional Council were given wide opportunity to offer input and comments during the course of the discussion and consideration of the item.

The November 7th Regional Council action was preceded by more than nine months of preparatory work and the regional planning process is necessarily complex and multi-faceted. That there are competing interests and priorities is not new. Since the start of the RHNA process in October 2018, SCAG staff has been committed to a fair and transparent process from the very beginning.

Importantly, the draft methodology was reviewed by HCD and was found to further statutory objectives of RHNA on January 13, 2020. On March 5, 2020, SCAG Regional Council adopted the draft methodology as the final methodology.

Therefore, in light of the above, SCAG staff does not recommend a reduction to the City's draft RHNA allocation based on this factor.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

Fountain Valley claims that SCAG failed to consider the availability of land suitable for urban development, which is a local planning factor. The City references HCD's site inventory guidebook and indicates that it would be especially difficult to demonstrate that much of the city's developable land fits HCD's criteria based on, among other factors, market conditions, the realistic development capacity of non-vacant sites, and providing substantial evidence that existing land uses do not present impediments to development. The City provides an assessment of 114.6 acres across seven sites which are identified based on its initial assessment of suitable land and which would have a realistic capacity of 2,476 units.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "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" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use," as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a

component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can and must consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth. While the City discusses in its appeal the possible challenges for the City to find available sites, such as additional analyses required by HCD, they have not demonstrated they are precluded from finding these sites. Additionally, other challenges outlined by the City, such as the cost of development, are not a basis for appeal.

While the local input growth forecast—which had taken extensive consideration of land availability—was the principal driver for roughly 38% of the RHNA methodology, this is only one of the factors considered in the development of a RHNA methodology. In fact, the measures of existing housing need (job access and transit access) are also based on local input as they are derived from small area growth forecast data reviewed by local jurisdictions.

While an assessment is provided for development on 114.6 acres (which yields an estimated development capacity of 2,476 units—in excess of the City’s proposed *total* RHNA allocation of 1,372 units), state law requires the consideration of alternative land use opportunities including, for example, alternative zoning and accessory dwelling units. Therefore, SCAG staff does not recommend a reduction to the jurisdiction’s RHNA allocation based on these factors.

Issue 3: Affirmatively furthering fair housing.

The City claims that, with a RHNA allocation of 2,039 low and very low-income units, if allocated to the 114.6 acres across the seven sites discussed above in Issue 2, this would result in an excessive concentration of low-income units and thus a segregated living pattern.

SCAG Staff Response: SCAG recognizes that HCD’s regional target for affordable units in particular can be especially difficult given the challenges inherent in promoting and financing affordable development. While a demonstration of these challenges are not a basis for an appeal, they are noted in Fountain Valley’s appeal letter. Based on the RHNA methodology’s social equity adjustment, Fountain Valley’s share of units by income is comparable to the SCAG region share:

	Fountain Valley draft allocation	SCAG regional determination
Very-low income	27.0%	26.2%
Low income	16.2%	15.4%
Moderate Income	17.2%	16.7%
Above-moderate Income	39.5%	41.7%

Ultimately, the RHNA determination for the region as well as the social equity adjustment component of SCAG’s methodology both promote a mix of development types.

Government Code 65584(3), which describes AFFH, includes wide-ranging objectives:

“(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.”

A particular point of emphasis in AFFH is access to opportunity, which is included in SCAG’s RHNA methodology through the use of opportunity scores. This factor was a point of emphasis in HCD’s finding that SCAG’s methodology furthered the statutory objectives of RHNA (attached). Fountain Valley compares positively to the region with 12.3% of residents living in low/very-low opportunity areas (compared to an average across SCAG jurisdictions of 30%) and 67% of residents living in high/very-high opportunity areas (compared to an average across SCAG jurisdictions of 49%). This comparison of opportunity measures suggests that Fountain Valley compares adequately or favorably to the region and as such additional affordable units in Fountain Valley would increase region-wide access to opportunity. As such, SCAG staff does not recommend a reduction to Fountain Valley’s RHNA allocation based on this appeal’s claim of potential segregation resulting from its allocation of lower-income units.

Issue 4: Changed Circumstances [Government Code 65584.05(b)].

Fountain Valley notes that there was an error in their submitted replacement need survey which would reduce their replacement need from 21 units to 0 units.

Fountain Valley also asserts that the COVID-19 pandemic is causing additional uncertainty in planning, including the move of many to remote work and the potential for additional housing development capacity due to reduced demand for the City's office land uses.

SCAG Staff Response: Fountain Valley submitted a timely replacement needs survey indicating that over 2009-2018, 29 housing units were demolished, and 8 new units were built on those sites. As such, and per SCAG's RHNA methodology, the City received a replacement need adjustment totaling 21 units. The City's replacement need data have been posted in the SCAG website since at least October 2019 in the draft RHNA methodology data appendix.

While Fountain Valley has provided an updated table indicating that the net replacement need should be reduced from 21 to 0, additional documentation supporting this change is not provided. Since these city-submitted data have been posted publicly for almost a year prior to the distribution of the draft RHNA allocation, there was sufficient time and transparency to correct any mistakes by the jurisdiction. However, since draft RHNA allocations have already been issued, it is no longer possible to make any changes without impacting the RHNA allocations of other jurisdictions. As such, SCAG does not recommend changing Fountain Valley's replacement need adjustment without additional documentation regarding the 21 sites referenced.

While we recognize that COVID-19 presents unforeseen circumstances, these facts, as presented by the City, do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04(b)." Section 65584.05(b) requires that:

"Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584."

SCAG's Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document's long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report¹ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG's region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region's long-term competitiveness or the region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

¹ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

The COVID-19 pandemic has had various impacts throughout Southern California, however it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

Fountain Valley's appeal describes the impacts of COVID-19 in general terms, and also suggests that they may present even more housing development opportunities due to shifts to remote working. As such, the City's appeal has not met the requirement above and SCAG staff does not recommend a reduction in the jurisdiction's RHNA allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Fountain Valley)
2. Appeal Form and Supporting Documentation (City of Fountain Valley)
3. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Fountain Valley had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Fountain Valley’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Fountain Valley, the anticipated number of households in 2020 was 18,898

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>

and in 2030 was 19,082 (growth of 184 households). In March 2018, SCAG staff and CDR staff met with staff from the City of Fountain Valley to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Fountain Valley submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions

were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Fountain Valley and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Fountain Valley

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Fountain Valley received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Fountain Valley as summarized in the data and calculations in the tables below.

Fountain Valley city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	152
Percent of households who are renting:	30%
Housing unit loss from demolition (2009-18):	21
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	552
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	20.56%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,066,000
Share of region's job accessibility (population weighted):	0.44%
Jurisdiction's HQT population (2045):	30,248
Share of region's HQT population (2045):	0.30%
Share of population in low/very low-resource tracts:	12.30%
Share of population in very high-resource tracts:	19.00%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Fountain Valley city	
Forecasted household (HH) growth, RHNA period:	152
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	4
Replacement Need	21
TOTAL PROJECTED NEED:	177
Existing need due to job accessibility (50%)	1861
Existing need due to HQTAs pop. share (50%)	1237
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	1552
TOTAL EXISTING NEED	4650
TOTAL RHNA FOR FOUNTAIN VALLEY CITY	4827
Very-low income (<50% of AMI)	1304
Low income (50-80% of AMI)	784
Moderate income (80-120% of AMI)	832
Above moderate income (>120% of AMI)	1907

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 30,248 living within HQTAs, the City of Fountain Valley represents 0.30% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Fountain Valley’s median TAZ, it will be possible to reach 20.56% of the region’s jobs in 2045 within a 30-minute automobile commute (2,066,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 1,552 units assigned to the City of Fountain Valley.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF FULLERTON

Hearing Date: January 19, 2021

The City of Fullerton has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscscag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Fullerton submits an appeal and requests a RHNA reduction of 3,850 units (of its draft allocation of 13,180 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA - the adopted methodology is flawed.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 19, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011921fullagn.pdf?1610770557>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

C. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the Final RHNA Methodology, the City's objection to the adopted Final RHNA Methodology for the 6th Cycle RHNA and its request to modify the methodology by removing the residual need component is not an eligible basis for appeal.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 19, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Fullerton

RECOMMENDED ACTION:

Deny the appeal filed by the City of Fullerton to reduce its draft RHNA allocation by 3,850 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

RECOMMENDATION:

Deny the appeal filed by the City of Fullerton (the City) to reduce its draft RHNA allocation by 3,850 units and to modify the 6th Cycle RHNA methodology.

SUMMARY OF APPEAL:

The City of Fullerton requests a reduction of its Draft RHNA Allocation by 3,850 units (from 13,180 units to 9,330 units) and a modification of the 6th Cycle RHNA methodology to remove the residual need component based on the following issue:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA: The adopted methodology is flawed.

RATIONALE FOR STAFF RECOMMENDATION:

SCAG staff have reviewed the appeal and recommend no change to the City of Fullerton's Draft RHNA Allocation. The City's objection to the adopted Final RHNA Methodology for the 6th Cycle RHNA and its request to modify the 6th Cycle RHNA Methodology by removing the residual need component is not an eligible basis for appeal.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Fullerton (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the draft allocation for the City of Fullerton is provided below.

Total RHNA for the City of Fullerton: 13,180 units

Very Low Income: 3,190 units

Low Income: 1,985 units

Moderate Income: 2,267 units

Above Moderate Income: 5,738 units

Additional background information related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received During 45-Day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) in specific regard the appeal filed by the City of Fullerton. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

The City of Fullerton understands that addressing both projected and existing housing need are critical components for engaging the on-going housing crisis in the SCAG region and throughout the State of California but the process for the redistribution of residual existing need is flawed and must be excluded from the RHNA Methodology. The City requests that all residual need units assigned through the Draft RHNA Allocation be returned to each originating jurisdiction and that its Draft RHNA Allocation be reduced by 3,850 units.

SCAG Staff Response: Any appeal that cites the adopted RHNA methodology as its basis must focus the appeal on the application of the RHNA methodology, not on the methodology itself. An example of misapplication of the adopted methodology might be a data error identified by a local jurisdiction. The City, however, takes issue with the redistribution of residual existing need which is part of the adopted Final RHNA Methodology, and not application of the methodology.

RHNA includes five statutory objectives: 1) to increase the housing supply and mix of housing types, tenure, and affordability within each region in an equitable manner; 2) to promote infill development and socioeconomic equity, protection of environmental and agricultural resources, and encourage efficient development patterns; 3) promote an improved intraregional relationship between jobs and housing; 4) allocate a lower proportion of housing need for income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution; and 5) affirmatively furthering fair housing.

In pursuing these statutory objectives, the adopted RHNA Methodology has a clear delineation to determine whether a jurisdiction may be identified as a “Disadvantaged Community” (DAC). In the methodology, DACs where the calculated projected and existing need is higher than the jurisdiction’s household growth between 2020 and 2045 are considered as having “residual” existing need. Residual need was then subtracted from jurisdictional need in these cases so that the maximum allocation a DAC jurisdiction would receive for existing need is equivalent to its 2020 to 2045 household growth. Residual existing need was tabulated by county and then redistributed within the same county to non-DAC jurisdictions. The purpose of this was to further two of the five RHNA objectives: to avoid an overconcentration of lower income households where they are already located, and to affirmatively further fair housing.

In addition, as described in Attachment 1 (Local Input and Development of Draft RHNA Allocation), the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region including projected household growth, access to jobs and transit, and housing vacancy rates. The RHNA Methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA Methodology was found by HCD to further the five statutory RHNA objectives largely due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.



In accordance with the RHNA Methodology, the City was redistributed an additional 3,850 units of residual existing need based on the job and transit access measures in the City. The City of Fullerton has not provided evidence of any misapplication of the RHNA Methodology, and for this reason, SCAG staff does not recommend approval of this appeal based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Fullerton)
2. City of Fullerton Appeal
3. Data Input & Verification Form (Fullerton)
4. Comments Received During the Comment Period (General)
5. HCD final 6th Cycle Housing Need Determination for the SCAG Region
6. City of Fullerton 2045 HQT Map
7. City of Fullerton 2045 Job Access

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Fullerton had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). It also describes how the RHNA Methodology development process integrated this information to develop the City of Fullerton’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.¹ Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.² While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR). Jurisdictions were informed of this arrangement by SCAG at the kickoff of the process. For the City of Fullerton, the projected number of households in 2020 was 47,686, and in 2030 was 49,614 (growth of 1,928 households). In March 2018, SCAG staff and CDR staff met with staff from the City of Fullerton to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions.

¹ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year planning period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

² A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Fullerton submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections obtained through the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to help achieve the SCAG region's GHG reduction targets, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site: <http://spmDM.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to

the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Fullerton and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- 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. (Govt. Code § 65584(d).)*

As explained in more detail below, the Draft RHNA Methodology, which was subsequently adopted as the Final RHNA Methodology, set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology, which relied almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need”, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and “existing need”, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.³ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and “High Quality Transit Area” (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Fullerton

³ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Fullerton received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Fullerton as summarized in the data and calculations featured in the tables below.

Fullerton city statistics and inputs:		Calculation of Draft RHNA Allocation for Fullerton city	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	1591	Forecasted household (HH) growth, RHNA period:	1591
Percent of households who are renting:	48%	Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	51
Housing unit loss from demolition (2009-18):	-	Replacement Need	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	5,428	TOTAL PROJECTED NEED:	1641
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	17.05%	Existing need due to job accessibility (50%)	4143
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,713,000	Existing need due to HQTAs pop. share (50%)	3544
Share of region's job accessibility (population weighted):	0.99%	Net residual factor for existing need	3850
Jurisdiction's HQTAs population (2045):	86,632	<i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	
Share of region's HQTAs population (2045):	0.85%	TOTAL EXISTING NEED	11538
Share of population in low/very low-resource tracts:	33.46%	TOTAL RHNA FOR FULLERTON CITY	13180
Share of population in very high-resource tracts:	3.50%	Very-low income (<50% of AMI)	3190
Social equity adjustment:	150%	Low income (50-80% of AMI)	1985
		Moderate income (80-120% of AMI)	2267
		Above moderate income (>120% of AMI)	5738

The transit accessibility measure is based on the population anticipated to live in “High Quality Transit Areas” (HQTAs) in 2045 based on Connect SoCal’s designation of HQTAs and population forecasts. With a forecasted 2045 population of 86,632 living within HQTAs, the City of Fullerton will represent 0.85 percent of the SCAG region’s HQTAs population, which provides the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located

within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on job accessibility. From the City of Fullerton’s median TAZ, it will be possible to reach 17.05 percent of the region’s jobs in 2045 within a 30-minute automobile commute (1,713,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the SCAG region that have been designated as “Disadvantaged Communities” (DACs) based on measures of access to opportunity (described in the Adopted RHNA Methodology), but also score highly in job and transit accessibility, may have their total RHNA allocations capped based on their long-range (2045) household growth forecast. This additional housing need, referred to as “residual need”, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above and resulted in an additional 3,850 units assigned to the City of Fullerton.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF GARDEN GROVE

Hearing Date: January 25, 2021

The City of Garden Grove has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Garden Grove submits an appeal and requests a RHNA reduction of 2,813 units (of its draft allocation of 19,122 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle (2021 – 2029) - the "DAC" or Disadvantaged Communities adjustment places a disproportionate burden on Non-DAC jurisdictions which fall just below the 50% DAC threshold.
2. Changed circumstances - the COVID-19 pandemic has uniquely impacted its future employment and that this should lead to a reduction of the City's housing need.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 25, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna->

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

[abph012521fullagn.pdf?1611371866](https://scag.ca.gov/rhna-abph012521fullagn.pdf?1611371866)). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted Final RHNA Methodology, the assertion that the application of the DAC adjustment was inequitable and disproportionate is a challenge to the Final RHNA Methodology, which was adopted in final form by the Regional Council on March 5, 2020. This is not a valid basis for an appeal as the adopted Final RHNA methodology cannot be revised by the RHNA Appeals Board.
- 2) Regarding changed circumstances, while the City of Garden Grove indicates that COVID-19 has resulted in job losses, it does not provide evidence as to how and why this information merits a revision of information used to determine housing need, per Government Code 65584.05(b)(3). In addition, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

During the appeals hearing, the Appeals Board requested additional information regarding use of data sets and whether the best data was used in the RHNA process to identify disadvantaged communities (DACs). SCAG staff indicated that data sets change all the time, including how affordability criteria are calculated which could change SCAGs calculations in unpredictable ways. SCAG emphasized that consistent use of data and cut off for when data is available is part of the RHNA Methodology and process and therefore is not subject to appeal during the current appeal process.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 25, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kevin Kane, Senior Regional Planner,
(213) 236-1828, kane@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Garden Grove

RECOMMENDED ACTION:

Deny the appeal filed by the City of Garden Grove to reduce the Draft RHNA Allocation for the City of Garden Grove by 2,813 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Garden Grove requests a reduction of its RHNA allocation by 2,813 units (from 19,122 units to 16,309 units). Garden Grove bases its appeal on the following:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle (2021 – 2029) - the "DAC" or Disadvantaged Communities adjustment places a disproportionate burden on Non-DAC jurisdictions which fall just below the 50% DAC threshold.
2. Changed circumstances - the COVID-19 pandemic has uniquely impacted its future employment and that this should lead to a reduction of the City's housing need.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Garden Grove's RHNA allocation.

Regarding Issue 1, the assertion that the application of the DAC adjustment was inequitable and disproportionate is a challenge to the Final RHNA methodology, which was adopted in final form by the Regional Council on March 5, 2020. This is not a valid basis for an appeal as the adopted Final RHNA methodology cannot be revised by the RHNA Appeals Board.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Garden Grove (Final Determination of Appeals Decisions)

Regarding Issue 2, while the City of Garden Grove indicates that COVID-19 has resulted in job losses, it does not provide evidence as to how and why this information merits a revision of information used to determine housing need, per Government Code 65584.05(b)(3).

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Garden Grove: 19,122 units
 Very Low Income: 4,155 units
 Low Income: 2,795 units
 Moderate Income: 3,204 units
 Above Moderate Income: 8,968 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Garden Grove. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

The City of Garden Grove raises issues related to the “DAC adjustment.” The City contends that in its application, an exemption for five of the 35 Orange County jurisdictions inequitably redistributes 24% of the County’s total allocation to the 30 “non-DAC” jurisdictions based on their job and transit accessibility measures. Relatedly, the City claims that the 2019 state Tax Credit Allocation Commission (TCAC) data are being used outside their intended purpose.

The City, with 48% of its population in a low or very-low resourced area, requests that a “sliding scale exemption” would result in a more equitable distribution of housing need based on this criterion rather than an all-or-nothing approach.

Furthermore, the City claims that SCAG failed to adequately consider information submitted and available to SCAG prior to the adoption of the RHNA Methodology. Specifically, Garden Grove uses data from the websites of the 5 DAC jurisdictions in Orange County to suggest that their planned and approved units as of September 2020 exceed their 6th cycle RHNA allocation.

SCAG Staff Response:**RHNA Methodology and AFFH Objectives**

SCAG’s adopted RHNA Methodology balanced a wide range of policy and statutory objectives (i.e., the objectives set forth in Government Code section 65584(d)). For example, the methodology incorporates locally envisioned growth from Connect SoCal, recognizes the importance of job and transit access in future housing planning, and demonstrates a commitment to social equity in the form of the social equity adjustment and the reallocation of residual housing need in lower-resourced jurisdictions to higher-resourced jurisdictions.

With respect to the statutory objectives, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met. On January 13, 2020, HCD found that SCAG’s (then draft) 6th cycle Methodology advanced all five statutory objectives of RHNA.¹

¹ The objectives are: 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

Affirmatively Furthering Fair Housing (AFFH) is a RHNA objective, and the residual reallocation is part of the adopted Final RHNA Methodology. The DAC adjustment is a feature of the RHNA Methodology whereby lower-resourced jurisdictions, as measured by having 50% or more of their population within low or very-low resource areas using the 2019 state Tax Credit Allocation Commission (TCAC) opportunity mapping indicators, have a cap on their RHNA Allocation based on their 2020-2045 local input-based growth forecast. Government Code section 65584.04(i) vests authority to assess whether a methodology furthers the statutory objectives in HCD. In HCD's comment letter dated December 20, 2020 (HCD Comment Letter), HCD specifically explains that the cap on units allocated to DACs furthers the AFFH statutory objective:

“Among the appeals based on Government Code section 65584.05(b)(2), several contend that the cap on units allocated to extremely disadvantaged communities (DACs) does not further RHNA's statutory objectives. This cap furthers the statutory objective to affirmatively further fair housing by allocating more units to high opportunity areas and fewer units to low resource communities, and concentrated areas of poverty with high levels of segregation. Due to the inclusion of this factor, as well as the use of TCAC/HCD Opportunity Maps, SCAG's methodology allocates 14 of the top 15 highest shares of lower-income RHNA to jurisdictions with over 99.95 percent High and Highest Resource areas. With the exceptions of two jurisdictions, the 31 jurisdictions with the highest share of lower-income RHNA are all over 95 percent High and Highest Resource areas. Any weakening of these inputs to the methodology could risk not fulfilling the statutory objective to affirmatively further fair housing.” (HCD Comment Letter at p.2).

Furthermore, in HCD's January 13, 2020 letter approving the Draft RHNA Methodology (HCD RHNA Methodology Letter) (attached), HCD finds that SCAG's RHNA Methodology furthers all five statutory objectives, stating,

“HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology. This factor directs more lower income RHNA to higher opportunity areas and reduces allocations in segregated concentrated areas of poverty, as defined in the *HCD/TCAC Opportunity Maps*, which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which

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 (Govt. Code § 65584(d)).

are all evidence-based indicators related to long term life outcomes.” (HCD RHNA Methodology Letter at p.1) (emphasis added and footnote omitted).

Opportunity Mapping Data and “Sliding Scale” Proposal

While the City argues that the TCAC’s Opportunity Mapping Tool was never intended to identify jurisdictions with more than 50% of their population located in DACs, HCD, the co-creator of this data source, has found that the tool’s use for this purpose to be a critical component in SCAG’s RHNA Methodology and furthers the AFFH statutory objective. The 2019 opportunity mapping data been part of several proposed variations of SCAG’s RHNA Methodology as they underwent review during 2019 and also went through an extensive development and public review process during their development by the California Fair Housing Task Force (see <https://www.treasurer.ca.gov/ctcac/opportunity.asp>) and vetting through TCAC and HCD.

The City proposes an alternative method for measuring advantage or disadvantage in a jurisdiction which involves utilizing a “sliding scale exemption”. However, an appeal citing RHNA Methodology as its basis must appeal the application of the adopted Methodology, not the Methodology itself. An example of an improper application of the adopted Methodology might be a data error which was identified by a local jurisdiction, not the presentation of an alternative methodology.

Information Submitted and/or Available Regarding DAC Jurisdictions

Attachment 1 describes SCAG’s Bottom-Up Local Input and Envisioning Process in detail. All local jurisdictions were provided the same opportunity to comment on and provide additional information regarding anticipated population, household, and employment growth. In order to ensure ample time for required modeling analyses and public review, data inputs were due in October 2018, with two subsequent opportunities for providing technical refinements in December 2019 and June 2020 (jurisdiction-level growth totals could *not* be changed during these opportunities). These data constitute what was submitted to SCAG described in 65584.04(e).

The RHNA statute provides defined timeframes guided by the deadline for the housing element revisions² for HCD’s RHNA determination and SCAG’s Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region’s existing and projected housing need pursuant to Section 65584.01 at least **two years prior** to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This “determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of

² Currently, local governments within the jurisdiction of SCAG are required to adopt their sixth revision of the housing element on or before October 15, 2021. Govt. Code § 65588(e)(2)(II).

governments.” Govt. Code § 65584.01(b). HCD begins the process **26 months prior** to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to **30 months prior** to the scheduled revision. By necessity, the data used for these processes is data available at that time.

Under the constraints of the timeframe and considering the comprehensive and equitable process whereby local input had already been solicited, submitted, and included in the RHNA methodology, SCAG does not have a responsibility or the authority to include every piece of information “available” as Garden Grove contends. SCAG relies on the local input process for jurisdictions to provide the most accurate and relevant information for SCAG to consider in its growth forecast.

SCAG staff does not recommend a reduction on the basis of new information regarding the websites of the 5 DAC jurisdictions in Orange County since the information is not related to the City of Garden Grove. Government code 65584.05(b)(1) permits a jurisdiction to appeal the Draft RHNA Allocation of another jurisdiction on the same grounds. Garden Grove has filed a separate appeal of Santa Ana’s Draft RHNA Allocation, requesting an increase of 7,087 units, also contending that SCAG failed to adequately consider housing development data in the City of Santa Ana. These issues are addressed in the appeal of Santa Ana’s Draft RHNA Allocation.

Issue 2: Changed circumstances [Government Code 65584.05(b)].

The City of Garden Grove claims that a change in circumstances warrants a revision to the Draft RHNA Allocation. The COVID-19 pandemic has resulted in a “significant and unforeseen” change in circumstance since employment projection data were submitted in 2018 which result in an anticipated decrease in the City’s 2020-2030 job forecast by 1,746 jobs.

SCAG Staff Response: Citing the Covid-19 pandemic, the City asserts that changed circumstances merit revisions to data previously relied upon. The City states that nearly 2,800 service jobs have been lost and as such the 2020-2030 employment outlook for the City is 1,746 jobs lower than it previously had been.

First, while SCAG staff recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04” (Government Code section 65584.05(b)(3)). Furthermore, section 65584.05(b) requires that,

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation,

and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

Such comparable data is not provided by the City of Garden Grove.

In fact, SCAG’s Regional Council delayed the adoption of the 2020 RTP/SCS by 120 days in order to assess the impact of COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report³ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term competitiveness or the region’s employment outlook for 2023-2045. As such, SCAG’s assessment is that comparable data would not suggest long-range regional employment declines.

Secondly, the City of Garden Grove suggests that the loss of employment in the City should reduce its housing need by 1,512 units. However, no evidence is provided that this loss of jobs will reduce housing need. While the City references the RHNA objective regarding regional jobs-housing relationships (Government Code § 65584(d)(3)) as a basis for this connection, SCAG’s RHNA Methodology addresses this statutory objective through the job accessibility measure—in large part due to the fact that 80 percent of the SCAG region’s workers live and work in different jurisdictions. Specifically, the City’s share of regional job accessibility is used to allocate housing units. This measure indicates that 2,175,000 future jobs (21.64% of the region’s total employment of 10,049,000) can be accessed within a 30-minute AM peak automobile commute. Note that as discussed above, HCD found that the Draft Methodology furthers the five statutory objectives of RHNA, including promoting an improved intraregional relationship between jobs and housing.

Assuming *arguendo* Garden Grove’s reduction of future employment by 1,746, this would mean that 2,173,254 future jobs (21.63% of the regional total) would be accessible. Using the largest city job loss figure referenced in the City’s appeal of 4,500 jobs, future Garden Grove residents would still be able to access 21.60% of the region’s jobs. Such a change would result in an extremely small decrease in Garden Grove’s share of regional job access. However, Garden Grove asserts that this job reduction has crippled the tourism economy more broadly and can reasonably be assumed to decrease jobs outside of the City as well. As such, it cannot be assessed from the evidence provided how the City’s job accessibility relative to the region would decrease.

Ultimately, these issues do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04(b).” (Government Code section 65584.05(b)(3)). The inputs to

³ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579



the RHNA Methodology are not impacted by these purported changes in circumstance and SCAG staff does not recommend a reduction of the City of Garden Grove's Draft RHNA Allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Methodology (City of Garden Grove)
2. Garden Grove Appeal and Supporting Documentation
3. Map of Job Accessibility near the City of Garden Grove (2045)
4. Comments Received during the Comment Period
5. HCD Review of Draft RHNA Methodology (Jan 13, 2020)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Garden Grove had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Garden Grove's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁴ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁵ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Garden Grove, the anticipated number of households in 2020 was 46,870 and in 2030 was 48,350 (growth of 1,480 households). In March 2018, SCAG staff and CDR staff met

⁴ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁵ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

with staff from the City of Garden Grove to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Garden Grove submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Garden Grove and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁶ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁶ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e., "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Garden Grove

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Garden Grove received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Garden Grove as summarized in the data and calculations in the tables below.

Garden Grove city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	1221
Percent of households who are renting:	46%
Housing unit loss from demolition (2009-18):	253
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	2,421
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	21.64%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,175,000
Share of region's job accessibility (population weighted):	1.48%
Jurisdiction's HQT population (2045):	135,945
Share of region's HQT population (2045):	1.33%
Share of population in low/very low-resource tracts:	47.92%
Share of population in very high-resource tracts:	0.00%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Garden Grove city	
Forecasted household (HH) growth, RHNA period:	1221
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	38
Replacement Need	253
TOTAL PROJECTED NEED:	1512
Existing need due to job accessibility (50%)	6172
Existing need due to HQTAs pop. share (50%)	5561
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	5877
TOTAL EXISTING NEED	17611
TOTAL RHNA FOR GARDEN GROVE CITY	19122
Very-low income (<50% of AMI)	4155
Low income (50-80% of AMI)	2795
Moderate income (80-120% of AMI)	3204
Above moderate income (>120% of AMI)	8968

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 135,945 living within HQTAs, the City of Garden Grove represents 1.33% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Garden Grove’s median TAZ, it will be possible to reach 21.64% of the region’s jobs in 2045 within a 30-minute automobile commute (2,175,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 5,877 units assigned to the City of Garden Grove.

Please note that the above represents only a partial description of key data and calculations which result in the Draft RHNA Allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF GARDENA

Hearing Date: January 13, 2021

The City of Gardena has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Gardena submits an appeal and requests a RHNA reduction of 1,144 units (of its draft allocation of 5,721 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - principles of affirmatively further fair housing were not applied appropriately and the City received a higher share total allocation.
2. Availability of land suitable for urban development or for conversion to residential use – the City does not have available land suitable for additional housing nor can they accommodate higher-density housing.
3. Affirmatively furthering fair housing - the City received a disproportionate amount of very low-and low-income housing, and when compared to other cities in the South Bay region.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 13, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011321fullagn_0.pdf?1609982874). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

C. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) and 3) Regarding application of the Final RHNA Methodology and affirmatively furthering fair housing, the City has not provided evidence that the RHNA methodology disproportionately added an overconcentration of lower income households to the City nor that its total allocation is too high.
- 2) Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 13, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager II,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Gardena

RECOMMENDATION:

Deny the appeal filed by the City of Gardena to reduce the Draft RHNA Allocation by 1,144 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Gardena requests a reduction of its RHNA allocation by 1,144 units (from 5,721 units to 4,577 units) based on:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - principles of affirmatively further fair housing were not applied appropriately and the City received a higher share total allocation.
- 2) Availability of land suitable for urban development or for conversion to residential use – the City does not have available land suitable for additional housing nor can they accommodate higher-density housing.
- 3) Affirmatively furthering fair housing - the City received a disproportionate amount of very low-and low-income housing, and when compared to other cities in the South Bay region.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Gardena RHNA allocation.

Issues 1 and 3: The City has not provided evidence that the RHNA methodology disproportionately added an overconcentration of lower income households to the City nor that its total allocation is

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Gardena (Final Determination of Appeals Decisions)

too high. As such, we do not recommend granting an appeal on these bases.

Issue 2: The City has not provided evidence that it could not identify opportunity areas to provide for additional housing. As such, we do not recommend granting an appeal on these bases.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA Allocation for the City of Gardena: 5,721

Very Low Income: 1,481

Low Income: 759

Moderate Income: 892

Above Moderate Income: 2,589

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Gardena. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issues 1 and 3: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)] and affirmatively furthering fair housing.

The City of Gardena argues that it has received a higher share of RHNA numbers that exceed other cities within the South Bay Cities COG region. The City states that out of the 15 cities in the South Bay region, Gardena has the third highest proportion of very-low-income percentage (29%), the fourth highest percentage of minority population (90.3%), the third highest percentage living below the poverty line (15%). The City argues that the combined effect of allocating Gardena a large RHNA obligation and existing concentration of low-income households would further exacerbate the current inequalities in access to opportunities, which would contract the principle to affirmatively further fair housing.

SCAG Staff Response: SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs determination. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

With respect to the statutory objectives, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives¹ in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another.

¹ The objectives are: 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

Whether a jurisdiction's Draft RHNA Allocation is higher or lower depends on these factors as reflected in the data (see Attachment 1 for further details) – principally its growth forecast, job access, and transit access. The City includes a table of several nearby cities which compares their Draft RHNA Allocations versus their existing housing stocks and current populations, arguing that Gardena's RHNA number is unfairly high compared to its neighbors when making these comparisons. However, the City's Draft RHNA Allocation is the outcome of the policy factors used to allocate RHNA. For example, while Torrance has a lower Draft RHNA Allocation compared to its existing housing stock, this is because compared to Gardena it has poorer job access (11.00% versus 16.99% of the region's future jobs accessible within 30 minutes) and less future population in HQTAs (0.33% of the region's versus 0.63%). As such, the Methodology is applied equally – the underlying policy factors differ between these cities and RHNA as a percentage of existing housing stock or existing population are not policy factors considered in SCAG's adopted Final RHNA Methodology.

One of the five objectives of RHNA law is to ensure that the RHNA allocation plan allocates “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”.

While SCAG staff accepts the assertion that the jurisdiction has a currently disproportionately high percentage of lower income households in comparison to its surrounding cities and counties, the RHNA methodology addresses this disparity through its social equity adjustment and inclusion of access to resources as an influencing factor.

To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing (AFFH), the RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution in comparison to county distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories. For the City of Gardena, 26% of the jurisdiction's draft RHNA allocation is assigned for the very low-income category, which is lower than its current 29% and lower than the county distribution of 28%. Thus, the Final RHNA Methodology, and by extension the jurisdiction's Draft RHNA Allocation, has already considered this objective to ensure that there is not an overconcentration of lower income

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 (Govt. Code § 65584(d)).

households in these currently impacted areas. For this reason, SCAG staff does not recommend a reduction to the jurisdiction's Draft RHNA Allocation based on this factor.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City of Gardena claims that SCAG failed to address the availability of land suitable for urban development or conversion to residential use. Gardena states that the City has minimal appropriate, available vacant land to accommodate its RHNA allocation. The City argues that the only way to accommodate its allocation is by placing a housing overly on commercial and industrial zones (of which 88 acres is available would be available for housing). According to the City, this would cause a jobs-housing imbalance, overcrowding, create a loss of revenue, and result in high density housing (65 units/acre) in already poverty-stricken areas.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. While the City's initial assessment of 88 acres for housing is acknowledged, alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land

use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

The City's concern regarding jobs-housing imbalance is acknowledged. However, the adopted RHNA methodology includes a calculation of job accessibility as one of the factors to determine a jurisdiction's draft RHNA allocation. Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute (additional details are found in the adopted RHNA methodology). This is not a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction's residents, which can include jobs outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which calls for an approach to the region's job housing relationship through the measurement of access rather than number of jobs within a certain jurisdiction. Limiting a jobs housing balance solely within jurisdictions can effectively worsen a regional jobs housing balance and thus SCAG staff does not recommend a reduction/increase to the jurisdiction's draft RHNA allocation based on this factor.

While SCAG acknowledges Gardena's concerns regarding overcrowding, overcrowding is defined as more than 1.01 persons per room (not bedroom) in a housing unit and as part of the regional determination, HCD applied an overcrowding component. Similar to cost-burden, overcrowding is caused by an accumulated housing supply deficit and is considered an indicator of regional existing housing need. However, it is impossible to determine 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. Because overcrowding is already addressed as a regional existing need and at a jurisdictional level may not be a cause of existing need, SCAG staff does not recommend a change to the jurisdiction's Draft RHNA Allocation based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Attachment 1_Local Input and Development of Draft RHNA Allocation (City of Gardena)
2. Attachment 2_Appeal Form and Supporting Documentation
3. Attachment 3_Data Input and Verification Form (City of Gardena)
4. Attachment 4_HCD final 6th Cycle Housing Need Determination for the SCAG Region
5. Attachment 5_Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Gardena had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Gardena’s Draft RHNA Allocation.

1. Local Input

a. *Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal) and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Gardena, the anticipated number of households in 2020 was 21,333 and in 2030 was 22,414 (growth of 1,081 households). On April 26, 2018, SCAG staff met with staff from the City of Gardena to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

the City of Gardena on the growth forecast was received in September 2018. Following input, household totals remained the same.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Gardena submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. The City of Gardena's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e., "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Final RHNA Methodology and Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the Covid-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Gardena received its Draft RHNA Allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocations for the City of Gardena as summarized in the data and in the tables below.

City of Gardena Statistics and Inputs		Calculation of Draft RHNA Allocation for Gardena	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	892	Forecasted household (HH) growth, RHNA period:	892
Percent of households who are renting:	50%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	29
Housing unit loss from demolition (2009-18):	23	Replacement Need:	23
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	2,452	TOTAL PROJECTED NEED:	944
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	16.99%	Existing need due to job accessibility (50%):	1,713
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,707,000	Existing need due to HQTAs pop. share (50%):	2,652
Share of region's job accessibility (population weighted):	0.41%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	412
Jurisdiction's HQTAs population (2045):	64,821	TOTAL EXISTING NEED:	4,777
Share of region's HQTAs population (2045):	0.63%	TOTAL RHNA FOR THE CITY OF GARDENA:	5,721
Share of population in low/very low-resource tracts:	40.21%	Very-low income (<50% of AMI):	1,481
Share of population in very high-resource tracts:	0.00%	Low income (50-80% of AMI):	759
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	892
		Above moderate income (>120% of AMI)	2,589

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 64,821 living within HQTAs, the City of Gardena represents 0.63% of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Gardena median TAZ, it will be possible to reach 16.99% of the region's jobs in 2045 within a 30-minute automobile commute (1,707,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 412 units assigned to the City of Gardena.

Please note that the above represents only a partial description of key data and calculations in the Final RHNA Methodology. The attached maps provide further detail regarding transit and job access measures.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF HEMET

Hearing Date: January 6, 2021

The City of Hemet has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Hemet submits an appeal and requests a RHNA reduction of 2,824 units (of its draft allocation of 6,450 units). The grounds for appeal are as follows:

- 1) Application of adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - methodology does not further the five objectives listed in Government Code Section 65584(d) and requests an alternative methodology be adopted.
- 2) Existing or projected jobs-housing balance - requests SCAG consider a methodology that focuses on the region's job-housing balance.
- 3) Sewer or water infrastructure constraints - number of units allotted is unobtainable as water and stormwater infrastructure is not available or too costly to build.
- 4) The region's greenhouse gas emissions targets - adding 6,450 residential units to an area with few jobs and transit options would increase highway congestion, reduce air quality, lengthen commute times, increase VMT, and thereby be inconsistent with achieving the region's GHG reduction targets.
- 5) Affirmatively further fair housing - RHNA allocation does not consider socio-economic disadvantages specific to the City and the unintended consequences of overconcentrating low-income housing and therefore does not affirmatively further fair housing.

A. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 6, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing

comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010621fullagn.pdf?1609379165>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the Final RHNA Methodology, statute vests HCD with the authority to decide whether statutory objectives were met by the Final RHNA Methodology, and HCD made this determination. Also, the City is challenging the content of the adopted Final RHNA Methodology rather than the application of the methodology, and it presents alternative methodologies which cannot be considered as bases for an appeal.
- 2) Regarding job housing balance, the RHNA methodology already includes job access as a primary factor in determining a jurisdiction's draft RHNA allocation at the regional level.
- 3) Regarding sewer or water infrastructure constraints, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction and evidence from a utility service provider that would preclude the construction of new housing was not demonstrated.
- 4) Regarding the region's greenhouse gas emissions targets, the jurisdiction's RHNA allocation was assigned in a manner consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy ("Connect SoCal"), which includes the GHG emission reduction targets for the region.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

- 5) Regarding affirmatively further fair housing, the RHNA methodology addresses regional socio-economic disparity through its social equity adjustment.

During the appeals hearing, the City raised a number of issues that were addressed by staff in more detail including (1) one of the City's three water providers issued a moratorium on providing new service to developments over 4 units; (2) an earthquake could result in the collapse of the East Dam of Diamond Valley Lake (located on the south eastern portion of Hemet), which would put areas of the City at risk of flooding; and (3) a portion of their City is within the Hemet-Ryan Airport Compatibility zone.

SCAG staff made the following points as to why these issues do not affect the City's ability to accommodate their RHNA allocation:

- 1) Regarding the water moratorium, the City did not provide documentation to demonstrate that their RHNA allocation could not be accommodated in other areas of the City that do have water availability.
- 2) With regards to the risk of flooding, the jurisdiction did not provided evidence that the Federal Emergency Management Agency (FEMA) or the Department of Water Resources (DWR) has determined that flood management infrastructure is inadequate to avoid the risk of flooding.
- 3) Regarding the airport restrictions, the City did not provide documentation to demonstrate that their RHNA allocation could not be accommodated in other areas of the City that do have airport restrictions.

The Appeals Board in denying the RHNA appeal confirmed that the conclusions of the staff report remain appropriate and these additional issues do not warrant a revision of the City's RHNA allocation.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 6, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Hemet

RECOMMENDED ACTION:

Deny the appeal filed by the City of Hemet (the City) to reduce the draft RHNA allocation for the City by 2,824 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Hemet requests a reduction of its RHNA allocation by 2,824 units (from 6,450 units to 3,626 units) based on the following issues:

- 1) Application of adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - methodology does not further the five objectives listed in Government Code Section 65584(d) and requests an alternative methodology be adopted.
- 2) Existing or projected jobs-housing balance - requests SCAG consider a methodology that focuses on the region's job-housing balance.
- 3) Sewer or water infrastructure constraints - number of units allotted is unobtainable as water and stormwater infrastructure is not available or too costly to build.
- 4) The region's greenhouse gas emissions targets - adding 6,450 residential units to an area with few jobs and transit options would increase highway congestion, reduce air quality, lengthen commute times, increase VMT, and thereby be inconsistent with achieving the region's GHG reduction targets.
- 5) Affirmatively further fair housing - RHNA allocation does not consider socio-economic disadvantages specific to the City and the unintended consequences of overconcentrating low-income housing and therefore does not affirmatively further fair housing.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Hemet (Final Determination of Appeals Decisions)



RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Hemet’s RHNA allocation. Regarding Issue 1, statute vests HCD with the authority to decide whether statutory objectives were met by the RHNA Methodology, and HCD made this determination. Also, the City is challenging the content of the adopted RHNA Methodology rather than the application of the methodology, and it presents alternative methodologies which cannot be considered as bases for an appeal. Regarding Issue 2, the RHNA methodology already includes job access as a primary factor in determining a jurisdiction’s draft RHNA allocation. Regarding Issue 3, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction and evidence from a utility service provider that would preclude the construction of new housing was not demonstrated. Regarding Issue 4, the jurisdiction’s RHNA allocation was assigned in a manner consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (“Connect SoCal”), which includes the GHG emission reduction targets for the region. Regarding Issue 5, the RHNA methodology addresses regional socio-economic disparity through its social equity adjustment.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the draft allocation for the City of Hemet is provided below.

- Total RHNA for the City of Hemet: 6,450 units
 - Very Low Income: 810 units
 - Low Income: 730 units
 - Moderate Income: 1,171 units
 - Above Moderate Income: 3,739 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

One comment was received from a local jurisdiction during the 45-day public comment period described in Government Code section 65584.05(c) which specifically addresses the appeal filed by the City of Hemet:

- The City of Corona objects to receiving any potential reallocation of the draft RHNA allocation based on appeals filed by the City of Hemet and the County of Riverside.

In addition, three such comments were received which relate to SCAG 6th cycle appeals generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2020-2029)

The City contends that SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the Final RHNA Methodology in a manner that furthers the five objectives listed in Government Code Section 65584(d). The City suggests altering the methodology in order to meet these objectives.

SCAG Staff Response: An appeal citing the adopted RHNA Methodology as its basis must appeal the application of the methodology, not the methodology itself. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction. The City has not provided evidence of such a data error or any other misapplication of the adopted RHNA methodology, and thus, the City cannot appeal under this basis. Moreover, appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology and supported by adequate documentation.

Adopted by the SCAG Regional Council on March 5, 2020, the RHNA Allocation Methodology uses SCAG's Growth Forecast as the basis to determine the projected household need component of a jurisdiction's draft RHNA allocation. SCAG's Integrated Growth Forecast process was derived through a two-year process from October 2017 through December 2019 that was based on local input review through surveys and individual meetings with SCAG jurisdictions. As indicated in the background section of this report, SCAG staff fully considered the input provided by the City during the development of the Integrated Growth Forecast and incorporated this input into the

development of projected need for the City's draft RHNA Allocation. See also Attachment 1, Local Input and Development of Draft RHNA Allocation.

SCAG's adopted RHNA Methodology balanced a wide-range of policy and statutory objectives (i.e., the objectives set forth in Government Code section 65584(d)). For example, the methodology incorporates locally-envisioned growth from Connect SoCal, recognizes the importance of job and transit access in future housing planning, and demonstrates a commitment to social equity in the form of the social equity adjustment and the reallocation of residual housing need in lower-resourced jurisdictions to higher-resourced jurisdictions.

With respect to the statutory objectives, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met. On January 13, 2020, HCD found that SCAG's (then draft) 6th cycle methodology advanced all five statutory objectives of RHNA.

While the City presents ways to improve the methodology, it does not show how SCAG improperly applied the adopted RHNA Methodology. For this reason, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

Issue 2: Existing or projected jobs-housing balance [Government Code Section 65584.04(e)(1)]

The City requests that SCAG consider a RHNA allocation for the City that focuses on the region's job-housing balance. The City of Hemet has a high imbalance of housing to nearby jobs with major job centers in Orange, Los Angeles, and San Diego Counties located two hours away leading to high unemployment rates in the City. Constructing high-density housing in an area where there are few jobs fails to recognize the market demand for affordable housing near job centers.

SCAG Staff Response: The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both "projected need" and "existing need". The majority of the City of Hemet's RHNA allocation comes not from the City's proximity to jobs or transit but instead from its expected future growth or "projected need". As described in Attachment 1, among the total need of 6,450 units for the City of Hemet, the "projected need" for the city is 6,174 units. "Projected need" is intended to accommodate the growth of population and households within the city during the 2021-2029 RHNA period. This calculation is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan. See Attachment 1, "Local Input and Development of Draft RHNA allocation" which describes the extent of local engagement and review opportunities provided to local jurisdictions on the household growth forecast. Review opportunities began in October 2017. While the initial deadline for input was

October 2018, additional review opportunities were provided to all local jurisdictions through June 2020. Growth forecast data for the City of Hemet was reviewed and approved by the City in January 2019 (see Attachment 2, Data Verification Form).

The adopted RHNA methodology already includes job and transit accessibility as primary factors in determining a jurisdiction's draft RHNA allocation for "existing need". Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute (additional details are found in the adopted RHNA methodology). This is **not** a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction's residents, which includes jobs outside of the jurisdiction. As described in Attachment 1, from the City of Hemet's median TAZ, it will be possible to reach 1.46% of the region's jobs in 2045 within a 30-minute automobile commute (146,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs). Therefore, the City only received a RHNA allocation of 277 units based on job accessibility. The City is not expected to have any share of the region's population in HQTAs in 2045, and therefore received zero units based on transit accessibility. Hence, the local jurisdiction's job-housing balance has already been accounted for in the approved RHNA methodology.

Issue 3: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)]

The City contends that while land is available for housing, it has significant infrastructure constraints, particularly relating to water supply and stormwater drainage. In most instances the infrastructure is either not available or too expensive to build. Therefore, the number of units allotted to the City is unobtainable.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water constraints mentioned by the jurisdiction, it is not evident that any water provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. Costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units. For this reason, SCAG staff does not recommend a housing need reduction based upon this planning factor.

Issue 4: The region's greenhouse gas emissions targets [Government Code Section 65584.04(e)(12)]

The City of Hemet argues that it is located at the very end of the transportation network in Riverside County. Specifically, it is 20 minutes to the closest freeway, 30 minutes to the closest light rail, and

60 minutes away from any major employment center. Adding 6,450 residential units to an area with few jobs and transit options would only increase highway congestion, reduce air quality, lengthen commute times, increase VMT, and thereby be inconsistent with achieving the regions greenhouse gas reduction targets as provided by the State.

SCAG Staff Response: SCAG allocates both “projected need” and “existing need” in a manner that is consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal), which includes a GHG emission reduction target for the region. As described in Attachment 1, the majority of the City of Hemet’s RHNA allocation (6,174 units) comes from its expected future growth or “projected need” that was calculated using data that was reviewed and approved by the City in January 2019 (see Attachment 2, Data Verification Form). The 6th cycle RHNA does not change the population growth forecast from Connect SoCal for 2029 (end of RHNA period) or any other year including 2035 for which Connect SoCal is required to meet the greenhouse gas emissions target. The Connect SoCal Forecasted Regional Development Pattern is shown on Exhibit 1 of the Sustainable Communities Strategy Technical Report, p. 13. Specifically, the development pattern includes priority growth areas, incorporated areas, job centers, entitled projects and sphere of influence which together would accommodate 95% of the growth till 2045. The development pattern reflects the strategies and policies contained in Connect SoCal.

While RHNA would also require the City to address existing need (277 units), not included in Connect SoCal, those units are intended to serve the existing population and were allocated based on transit and job access measures derived from Connect SoCal data. Therefore, the RHNA methodology for “existing need” also promotes an efficient development pattern in utilizing public transit, reducing commute distance and contribute to further reduce per capita greenhouse gas emissions. Accordingly, the total allocation for regional housing need (“existing need” and “projected need”) is aligned with the strategies and policies underlying the development pattern in the Connect SoCal, and the RHNA allocation methodology is consistent with meeting the region’s GHG emissions target. For this reason, SCAG staff does not recommend a reduction to Hemet’s draft RHNA allocation based on this factor.

Issue 5: Affirmatively furthering fair housing

The City contends that SCAG failed to adequately consider information relating to affirmatively furthering fair housing pursuant to Government Code § 65584(b)(2) and 65584(d)(5). The City contends that the proposed RHNA allocation does not consider socio-economic disadvantages specific to the City and the unintended consequences of overconcentrating low-income housing. Specifically, the City of Hemet was allocated with 1,540 low-income units even though it has 98.7% of its population within a Low Resource Area, is considered a “disadvantaged community”, and has a medium household income that is significantly lower than its County of Riverside and the SCAG

region. The City further argues that the RHNA distribution across income categories for the social equity adjustment is not explained. Therefore, the City finds that the RHNA allocation does not affirmatively further fair housing.

SCAG Staff Response: One of the five objectives of RHNA law is to ensure that the RHNA allocation plan allocates “a lower proportion of housing need to an income category when a jurisdiction already has a proportionately high share of households in that income category”. While SCAG staff accepts the assertion that the jurisdiction has a currently disproportionately high percentage of lower income households in comparison to the County and the SCAG region, the RHNA methodology addresses this disparity through its social equity adjustment and inclusion of access to resources as an influencing factor.¹

To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing (AFFH), the RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution in comparison to county distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories. For the City of Hemet, the maximum social equity adjustment of 180% was applied. Therefore, 59% of the jurisdiction’s draft RHNA allocation is assigned for above moderate income housing, 18% for moderate income, and only 11% for low income, and 12% for very-low income housing. The City’s RHNA allocation distribution is lower than its percentage of population currently in low and very-low resource census tracts (98.75%) as identified by the Tax Credit Allocation Committee (TCAC) opportunity scores used elsewhere in the RHNA methodology and lower than the County of Riverside’s distribution of very low income units 25% and low income units 16%.

It is important to note that while the social equity adjustment is meant to prevent the overconcentration of low income units in one area, it does not completely remove the need for affordable housing in the City; therefore, 23% of the City’s RHNA allocation was still assigned to accommodate low income housing units. Thus, the RHNA methodology, and by extension the jurisdiction’s draft RHNA allocation, has already considered this objective to ensure that there is not an overconcentration of lower income households in these currently impacted areas. For this reason, SCAG staff does not recommend a reduction to the jurisdiction’s draft RHNA allocation based on this factor.

FISCAL IMPACT:

¹ The complete Final RHNA Methodology can be found at the RHNA website using the link below:
<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Hemet)
2. City of Hemet Appeal Request Form and Supporting Documents
3. Map of Job Accessibility in the City of Hemet (2045)
4. Comments received during the comment period
5. City of Hemet Data Verification Form

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Hemet had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Hemet's Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/ Sustainable Communities Strategy (2020 RTP/SCS or Connect SoCal) and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Hemet, the anticipated number of households in 2020 was 35,216 and in 2030 was 42,465 (growth of 7,249 households). In February 2018, SCAG staff met with local jurisdiction staff to discuss the

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of Hemet was not received. The preliminary figures above were used by SCAG.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Hemet submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Hemet which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Hemet

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Hemet received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Hemet as summarized in the data and calculations in the tables below.

Hemet city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	5980
Percent of households who are renting:	42%
Housing unit loss from demolition (2009-18):	15
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	18,932
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	1.46%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	146,000
Share of region's job accessibility (population weighted):	0.07%
Jurisdiction's HQT population (2045):	-
Share of region's HQT population (2045):	0.00%
Share of population in low/very low-resource tracts:	98.75%

Share of population in very high-resource tracts:	0.05%
Social equity adjustment:	180%

Calculation of Draft RHNA Allocation for Hemet city	
Forecasted household (HH) growth, RHNA period:	5980
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	179
Replacement Need	15
TOTAL PROJECTED NEED:	6174
Existing need due to job accessibility (50%)	277
Existing need due to HQTAs pop. share (50%)	0
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	0
TOTAL EXISTING NEED	277
TOTAL RHNA FOR HEMET CITY	6450
Very-low income (<50% of AMI)	810
Low income (50-80% of AMI)	730
Moderate income (80-120% of AMI)	1171
Above moderate income (>120% of AMI)	3739

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With no forecasted population living within HQTAs in 2045, the City of Hemet represents zero percent of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on jobs accessibility. From the City of Hemet's median TAZ, it will be possible to reach 1.46% of the region's jobs in 2045 within a 30-minute automobile commute (146,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF HUNTINGTON BEACH

Hearing Dates: January 19 and 25, 2021

The City of Huntington Beach has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD

to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.
- (I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the

development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units

for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and

shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the

region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process,

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City’s Appeal

The City of Huntington Beach submits an appeal and requests an unspecified RHNA reduction of its draft allocation of 13,337 units. The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA methodology for the 6th Cycle RHNA (2021-2029) - incorrect identification of a high-quality transit area (requested reduction of 3,625 units), use of improper year of forecast data (requested reduction 1,861 units).
- 2) Existing or projected jobs-housing balance.*
- 3) Availability of land suitable for urban development or conversion to residential use - impact of sea level rise, coastal inundation, and FEMA-designated flood zones (requested reduction of 2,000 units).
- 4) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans (RTPs).*
- 5) The rate of overcrowding - City’s lower overcrowding rate should be considered in allocating regional housing need (requested reduction of 6,428 units).
- 6) Housing needs generated by the presence of a university campus within any jurisdiction - housing needs generated by colleges or universities in the region in general (requested reduction 360 units).
- 7) The region’s greenhouse gas emissions target – lower income workers are driving alone, longer commutes because housing would not be placed where it is needed and would not be consistent with the SCS.*

* These issues were checked on the appeals form but are discussed together with the arguments related to application of the methodology.

Other: Huntington Beach also argues that the State’s imposition of RHNA allocation requirements on Charter Cities violates the constitution and is in and of itself an illegal act; the City also argues that the residual adjustment is illegal (and requests an associated reduction of 3,442 units); however, this is not a basis for a RHNA appeal. In addition, the City mentions change in circumstances with respect to COVID-19 although this box is not checked on the form.

A. Appeal Board Hearing and Review

The City’s appeal was heard by the RHNA Appeals Board on January 19 and January 25, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an

opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City’s appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City’s bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City’s staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph012521fullagn.pdf?1611371866>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board’s Decision

Based upon SCAG’s adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report and SCAG staff comments prior to the close of the hearing, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as discussed below.

- 1), 2), 4), and 7) SCAG appropriately identified the Beach Boulevard corridor as constituting an HQTAs per its adopted procedures; use of future year HQTAs is not illegal and is a part of SCAG’s adopted Final RHNA Methodology. The Final RHNA Methodology does not substitute 2045 forecasts in lieu of 2030 as Huntington Beach attests; data steps using forecasted growth were all conducted consistent with the Final RHNA Methodology and extensive review opportunities were provided to Huntington Beach of these data elements. The regional greenhouse gas reduction targets are met and the distribution of housing need is consistent with the Sustainable Communities Strategy (SCS).
- 3) SCAG appropriately considered available land constraints related to sea level rise, coastal inundation, and FEMA-designated flood zones; however, Huntington Beach does not

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

demonstrate why its draft RHNA allocation could not be accommodated in any way in the vast majority of the city's land area which is not subject to such constraints.

- 5) The City misinterprets the role of overcrowding in HCD's regional housing needs determination as necessitating inclusion in SCAG's final RHNA allocation methodology. SCAG's Final RHNA Methodology, which was found by HCD to further all necessary statutory objectives, does not and need not include a measure of jurisdiction-level overcrowding; to do so would constitute a change of the methodology which cannot be considered in the appeals process.
- 6) Huntington Beach fails to demonstrate why housing need generated by colleges and universities outside the city disproportionately affects Huntington Beach or in any way would reduce the city's housing need.

Other: The residual need component was applied correctly and is a part of SCAG's adopted final RHNA methodology, which was found by HCD to further all statutory objectives, including those related to Affirmatively Furthering Fair Housing (AFFH). Regarding change in circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

During the appeals hearing, the City raised a number of issues in its verbal comments that were addressed by staff in more detail during the hearing in response to these comments including (1) charter cities are not subject to the RHNA process; (2) a portion of Beach Boulevard (Route 29) is incorrectly identified as an HQTAs; and (3) the attorney for the Appeals Board cannot serve as an attorney for staff. On January 15, 2021 the City submitted information, which was received as a public comment, from an OCTA agenda and a scope of work for bus restructuring addressing potential changes in bus service as a result of decreased revenue.

Charter Cities are Not Exempt from RHNA

The City asserted that as a charter city, it is exempt from RHNA, i.e., the "State's attempt to impose RHNA allocation upon Charter Cities violates the State Constitution." Housing element law clearly and directly contradicts and refutes this argument. SB 35 which was enacted in September 2017 and

provides a streamlined approval process for affordable housing explicitly sets forth the following legislative intent:

“The Legislature finds and declares that ensuring access to affordable housing is a matter of statewide concern, and not a municipal affair. Therefore, the changes made by this act are **applicable to a charter city**, a charter county, and a charter city and county.” (2017 Cal. Stats. Ch. 366 § 4) [emphasis added].

Furthermore, SB 1333 which was enacted a year later in September 2018 and further amended planning and zoning regulations as applied to charter cities as follows:

“In amending Sections 65356, 65852.150, 65852.25, 65860, 65863, 65863.4, 65863.6, 65863.8, 65866, 65867.5, and 65869.5 of the Government Code to **extend the applicability of those sections to charter cities**, and in amending Section 65700 of the Government Code to extend the applicability of Sections 65300.5, 65301.5, 65359, 65450, 65454, 65455, 65460.8, 65590, and 65590.1 of, and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of, the Government Code, **to charter cities**, the Legislature hereby finds and declares that it does so to address the lack of affordable housing in the state, which is of vital statewide importance, and that ensuring the location, development, approval, and access to housing for all income levels in all jurisdictions in the state is a matter of statewide concern.” (2018 Cal. Stats. Ch. 856 §1) [emphasis added].

Therefore, based on the foregoing, it is clear, and the RHNA Appeals Board hereby finds and determines, that charter cities are not exempt from the RHNA allocation process.¹²

Identified HQTAs are Consistent with Data Provided by OCTA as Required by the Connect SoCal Data Process

During the hearing, the Appeals Board requested additional information regarding the location of the High Quality Transit Area (HQTA) and/or High Quality Transit Corridor (HQTC) along Beach Boulevard specifically with reference to Bus Routes 29 and 529 and their existing routes. Huntington Beach made the argument that Route 29 doesn't currently (pre-Covid) meet the timing for an HQTC south of Heil Avenue and points out that the 2018 Long Range Transportation Plan (LRTP) Figure 4.1 indicates a reduction recommended for Bus Route 29. In addition, OCTA has indicated that decreases in operating revenue will affect service levels into the future.

¹² During the hearing, the City indicated that it was in litigation with the State challenging the legality of SB 35 as to its application to charter cities. On January 28, 2021, the Los Angeles Superior Court denied the City's petition for writ of mandate (LASC Case No. 30-2019-01044945). On February 1, 2021, the Huntington Beach City Council voted not to appeal this ruling.

SCAG staff explained that the adopted Final RHNA Methodology is based on 2045 HQTAs and HQTCS from the adopted Connect SoCal Plan. As part of developing Connect SoCal, SCAG obtained information from each of the County Transportation Commissions as to the location of HQTAs and HQTCS in their jurisdiction. In Orange County the Orange County Transportation Authority (OCTA) was responsible for providing these data to SCAG. OCTA has consistently indicated to SCAG staff that they plan to run a 10-min frequency route along the corridor down to PCH and this is part of their LRTP and their submittal to SCAG. SCAG staff confirmed with OCTA staff during the Connect SoCal public comment period that they still intend to implement 10-min service on the Beach Boulevard corridor within the RTP planning horizon (i.e., by 2045). OCTA did not provide a route number in their submittal to SCAG. Beach Boulevard was just identified as a future high frequency route as identified in OCTA's Transit Master Plan which fed into their 2018 LRTP. Figure 4.1 of the LRTP represents the short-term Orange County Bus 360 transit network restructuring that OCTA implemented in response to recent ridership trends. This includes schedule adjustments to existing service on Beach Boulevard, but it does not affect the long-range commitment to implement high quality transit along this corridor by 2045. Figure 4.10 presents the long-term transit vision as expressed in the OC Transit Vision Master Plan and the OCTA 2018 LRTP. This includes a vision for high-frequency transit service on Beach Boulevard.

With respect to recent information regarding operating revenue reductions, as noted in the staff report (packet page 9), "...it is understood that planned transit projects are subject to further project-specific evaluation, but that is the nature of the long-range planning process. While there is an inherent chance that transit agencies may change future plans, SCAG's adopted Final RHNA Methodology uses this definition of 2045 HQTAs in order to better align future housing with anticipated future transit and promote the objectives and strategies of SCAG's adopted 2020 Connect SoCal Plan."

SCAG staff verbally made the following points at the hearing:

- Connect SoCal defines high quality transit areas (HQTAs) as "corridor-focused Priority Growth Areas within one half mile of an existing or planned fixed guideway transit stop or a bus transit corridor where buses pick up passengers at a frequency of every 15 minutes (or less) during peak commuting hours."
- Beach Boulevard, including the portion within the City of Huntington Beach south to PCH, has been identified by OCTA as a planned high frequency corridor since 2018:
 - In their 2018 OC Transit Vision transit master plan for Orange County
 - In their 2018 Long Range Transportation Plan (LRTP) which OCTA submitted to SCAG for inclusion in Connect SoCal

- City of Huntington Beach submitted a comment during the Draft Connect SoCal public review period, questioning the identification of Beach Boulevard in the City limits as an HQTAs. In response, SCAG confirmed that Beach Boulevard is identified by OCTA as a planned high quality transit corridor and therefore the HQTAs designation is appropriate.
- OCTA has not rescinded or amended their OC Transit Vision or their 2018 LRTP, nor have they communicated to SCAG their intention to change the identification of Beach Blvd as a planned high frequency corridor.

The following provides additional background information and a general timeline that was also generally verbally addressed by SCAG at the hearing:

January 2018 – OCTA completes the OC Transit Vision, a transit master plan for Orange County.¹³

- Chapter 5 identifies Beach Boulevard as a priority “Transit Opportunity Corridor” and recommends moving forward with planning, design, and.¹⁴
- Chapter 6 identifies a strategy for improvements to major corridors including Beach Blvd (p. 6-6), first implementing rapid bus (branded as Bravo!) with frequent service at least every 15 minutes, and then converting over time to more robust Bus Rapid Transit (BRT) with service at least every 10 minutes.¹⁵
- Public Engagement for OC Transit Vision includes engagement with elected officials and planning directors across the county.¹⁶ Page B-32 of the Public Engagement Report states:

“Orange County elected officials and planning directors were engaged to provide input on the OC Transit Vision as well as the update to OCTA’s Long-Range Transportation Plan. Like the Citizens Advisory Committee, the feedback from these groups was tied to key milestones and helped to shape the final recommendations. The first meetings were held in May 2017, to present key findings from the State of OC Transit and to introduce the Transit Investment Framework, and in September 2017 to share preliminary recommendations for the Transit Opportunity Corridors and other service enhancements.”

- The OC Transit Vision web page states that “The recommendations from the OC Transit Vision were included in OCTA’s 2019 Long-Range Transportation Plan”.¹⁷

¹³ See <https://www.octa.net/pdf/OC%20Transit%20Vision%20Final%20Report.pdf>.

¹⁴ See <https://www.octa.net/pdf/OC%20Transit%20Vision%20FINAL%2005%20OC%20COMP.pdf> (first bullet on p. 5-1, Figure 5-1 on p. 5-2).

¹⁵ See <https://www.octa.net/pdf/OC%20Transit%20Vision%20FINAL%2006%20FR%20COMP.pdf> (Figure 6-3 on p. 6-5).

¹⁶ See <https://www.octa.net/pdf/App%20B%20Public%20Engagement.pdf>.

¹⁷ See <https://www.octa.net/Projects-and-Programs/Plans-and-Studies/Transit-Master-Plan/> (second paragraph, last sentence).

November 2018 – OCTA completes its 2018 Long Range Transportation Plan.¹⁸

- The 2018 LRTP identifies a commitment to “Implement OC Transit Vision” (pp. 93-94).
- Figure 4.10 (p. 102) identifies the Beach Blvd corridor as a “2040 High Frequency Corridor”
- LRTP lists “Beach Corridor – High-quality transit between Fullerton Park-and-Ride and Downtown Huntington Beach” (p. 145)
- Attachment D, Public Outreach Report, OCTA explicitly engaged with all 34 Orange County cities including elected officials (pp. 3-4 of Attachment D)
- Of the public comment letters received by OCTA on the 2018 LRTP, none were submitted by City of Huntington Beach.

November 2018 – OCTA submits its project list to SCAG for Connect SoCal, including its 2018 LRTP transit network model input files.

- Submittal includes projects 2160008, OC Transit Vision – Capital, and 2160009, OC Transit Vision – Operations & Maintenance.

November 2019 – SCAG releases Draft Connect SoCal for public review and comment

- Connect SoCal main book Exhibit 3.8 map identifies the Beach corridor as a high quality transit area.
- Transit Technical Report Exhibit 14 map identifies the Beach corridor as a high quality transit corridor.
- Project List Technical Report includes OC Transit Vision projects 2160008 and 2160009, consistent with OCTA’s project submittal.

January 2020 – City of Huntington Beach submits public comments on Connect SoCal¹⁹

- Comment 0001393.02 questions Beach Blvd as a HQTA.
- SCAG responds and confirms that Beach Blvd was identified by OCTA to SCAG as an HQTC which forms the basis for the HQTA.

Attorney for the Appeals Board May Serve in an Advisory/Evaluative Role for Both Appeals Board and Staff

During the hearing, the City asserted that its due process rights were violated because the attorney for the Appeals Board, Patricia Chen, was also “advocating” for staff. Ms. Chen referred to her explanation during the City of Yorba Linda proceeding and indicated that she was not serving as an advocate for any party including staff, appellants, or the Appeals Board, but rather, she has been assisting

¹⁸ See <https://www.octa.net/pdf/OCTALRTP111618FINAL.pdf>.

¹⁹ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847 (comment ID# 0001393, p. 92); https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-3b.pdf?1606001925 (Huntington Beach Comment Letter, p. 3).

the Appeals Board and staff understand the statutory framework of the RHNA process and advising as to SCAG's duties and responsibilities under the statute.

In the California Supreme Court decision, *Today's Fresh Start, Inc. v. Los Angeles County Office of Education*, 57 Cal.4th 197 (2013), an attorney served as both general counsel for the County Office of Education and its governing board. At issue was a legal challenge brought by a charter school seeking to overturn the County Board's decision to revoke its charter on the grounds that the County Office and County Board had an unconstitutional overlapping adversarial and advisory functions in part because the same attorney served as general counsel for both the County Office and the County Board. The court found no impropriety on the part of the attorney serving in both roles:

"Today's Fresh Start repeatedly characterizes her as a prosecutor, but this misstates both the nature of the proceedings and [the attorney's] role. The County Board was charged with considering and weighing the fruits of the staff investigation and what it showed in favor of and against revocation, as well as the argument and evidence of Today's Fresh Start. Statutorily, the County Office and County Board had no agenda, no stake in one outcome or the other. Thus, like many administrative proceedings the United States Supreme Court and we have previously approved, this was not a classic adversarial hearing, with a prosecutor and a defendant. There was no prosecutor here. [The attorney] presented no evidence, examined no witnesses, and made no argument in favor of revocation. Instead, [the attorney's] role was to advise the County Board on its duties in deciding whether to direct charter revocation, just as she had previously advised County Office staff as to their powers and responsibilities when conducting an investigation of Today's Fresh Start. In neither capacity was she charged with being an advocate or an adjudicator." (Id. at 223).

Similar to the facts underlying the decision in *Today's Fresh Start*, the RHNA appeals are not the type of "classic adversarial hearing with a prosecutor and defendant" which case law has held, in other contexts, requires a separation of functions between counsel prosecuting a matter and counsel advising a neutral decisionmaking body (i.e., with a prosecutor and defendant). In the present appeal (and all other appeals heard by the RHNA Appeals Board) the nature of the appeal (allocation of RHNA units based on statute and approved methodology) is not adversarial or prosecutorial, and, further, Ms. Chen did not present evidence, examine witness, or make specific arguments in favor of an outcome. While due process may be required to separate the function of "adversarial" or "prosecutorial" advocates from attorneys advising decisionmakers, separation of functions is not required when an attorney serves in an evaluative or advisory role in a non-adversarial or prosecutorial hearing, and (in that case) the same attorney may serve as advisor to both staff and the decisionmaker. The record demonstrates and the

RHNA Appeals Board specifically finds the facts demonstrate that Ms. Chen served in an evaluative and advisory role during the RHNA appeals process. As such, no due process violation occurred based on these facts.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 25, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft Allocation for the City of Huntington Beach

RECOMMENDATION:

Deny the appeal filed by the City of Huntington Beach to reduce the draft RHNA allocation for the City of Huntington Beach.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City's draft RHNA allocation is 13,337 units. The City does not specify a requested reduction, its appeal is organized around several issues, some of which do specify a reduction, the total of which is in excess of the City's draft RHNA allocation. The City of Huntington Beach requests a reduction of its RHNA allocation based on the following seven issues:

- 1) Application of the adopted Final RHNA methodology for the 6th Cycle RHNA (2021-2029) - incorrect identification of a high-quality transit area (requested reduction of 3,625 units), use of improper year of forecast data (requested reduction 1,861 units).
- 2) Existing or projected jobs-housing balance.*
- 3) Availability of land suitable for urban development or conversion to residential use - impact of sea level rise, coastal inundation, and FEMA-designated flood zones (requested reduction of 2,000 units).
- 4) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans (RTPs).*
- 5) The rate of overcrowding - City's lower overcrowding rate should be considered in allocating regional housing need (requested reduction of 6,428 units).
- 6) Housing needs generated by the presence of a university campus within any jurisdiction - housing needs generated by colleges or universities in the region in general (requested reduction 360 units).

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Huntington Beach (Final Determination of Appeals Decisions)

- 7) The region's greenhouse gas emissions target – lower income workers are driving alone, longer commutes because housing would not be placed where it is needed and would not be consistent with the SCS.*

* These issues are checked on the appeals form but are discussed together with the arguments related to application of the methodology.

Other: Huntington Beach also argues that the State's imposition of RHNA allocation requirements on Charter Cities violates the constitution and is in and of itself an illegal act; the City also argues that the residual adjustment is illegal (and requests an associated reduction of 3,442 units); however, this is not a basis for a RHNA appeal. In addition, the City mentions change in circumstances with respect to COVID-19 although this box is not checked on the form.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Huntington Beach's RHNA allocation. Following Huntington Beach's appeal issues:

Issues 1, 2, 4 and 7, SCAG appropriately identified the Beach Boulevard corridor as constituting an HQTAs per its adopted procedures; use of future year HQTAs is not illegal and is a part of SCAG's adopted Final RHNA Methodology. The Final RHNA Methodology does not substitute 2045 forecasts in lieu of 2030 as Huntington Beach attests; data steps using forecasted growth were all conducted consistent with the Final RHNA Methodology and extensive review opportunities were provided to Huntington Beach of these data elements. The regional greenhouse gas reduction targets are met and the distribution of housing need is consistent with the Sustainable Communities Strategy (SCS).

Issue 3, SCAG appropriately considered available land constraints related to sea level rise, coastal inundation, and FEMA-designated flood zones; however, Huntington Beach does not demonstrate why its draft RHNA allocation could not be accommodated in any way in the vast majority of the city's land area which is not subject to such constraints.

Issue 5, the City misinterprets the role of overcrowding in HCD's regional housing needs determination as necessitating inclusion in SCAG's final RHNA allocation methodology. SCAG's Final RHNA Methodology, which was found by HCD to further all necessary statutory objectives, does not and need not include a measure of jurisdiction-level overcrowding; to do so would constitute a change of the methodology which cannot be considered in the appeals process.

Issue 6, Huntington Beach fails to demonstrate why housing need generated by colleges and universities outside the city disproportionately affects Huntington Beach or in any way would reduce the city's housing need.

Other: The residual need component was applied correctly and is a part of SCAG's adopted final RHNA methodology, which was found by HCD to further all statutory objectives, including those related to Affirmatively Furthering Fair Housing (AFFH).

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Huntington Beach: 13,337 units
Very Low Income: 3,652 units
Low Income: 2,179 units
Moderate Income: 2,303 units
Above Moderate Income: 5,203 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Huntington Beach. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issues 1, 2, 4, 7: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code section 65584.05 (b)(2)]; existing or projected jobs-housing balance [Government Code section 65584.04(e)(1)]; distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Government Code section 65584.04(e)(3)]; and the region's greenhouse gas emissions targets [Government Code section 65584.04(e)(12)].

The City of Huntington Beach contends that the portion of the Beach Boulevard corridor within the City should not be considered an HQT. The City contends that Orange County Transportation Authority (OCTA) Route 29 does not meet the threshold of 15 minutes' peak service frequency which is necessary for inclusion as an HQT. The City also contends that since statute does not specify what a future year HQT/HQT may be that the definition is illegal and cannot be used in calculation of RHNA.

Huntington Beach contends that SCAG incorrectly projected household growth and employment, introducing growth projections for the year 2045 despite the fact that the RHNA projection period extends only through 2029. Huntington Beach contends that the basis for the entire methodology is fundamentally flawed. The City further contends that SCAG should use 2030 employable population as a factor in allocating housing need.

The City indicates that lower income workers are driving alone, and that longer commutes would occur as a result of housing not being placed where it is needed and allocation of housing to the City would not be consistent with the SCS and this would increase greenhouse gas emissions.

In addition to the above bases for appeal, the City includes identifies the following planning factor:

- *Opportunities to maximize the use of public transportation and existing transportation infrastructure (not an appeal basis).*

SCAG Staff Response: The arguments raised by the City of Huntington Beach in its appeal amount to a challenge to the Final RHNA Methodology, which, as described in Attachment 1, was adopted by the Regional Council on March 5, 2020 after an extensive public development and review process. The issues outlined in the appeal, such as the calculation and distribution of projected and existing need, the use of a 2045 horizon year, and the calculation of job accessibility are arguments against the adopted Final RHNA Methodology itself, and not how the methodology was applied to the City. Development of the Final RHNA Methodology is a separate process from the RHNA appeals process, and it is outside the scope of the appeals process for the Appeals Board to change the adopted methodology. No arguments or supporting evidence is provided in the appeal that indicates that the methodology to determine the City's share of regional housing need was improperly applied.

The statute vests in HCD the authority to assess whether a RHNA methodology furthers statutory objectives¹ [Government Code section 65584.04(i)], and per the attached letter dated January 13, 2020, HCD has found that SCAG's 6th cycle RHNA methodology furthers all of RHNA's statutory objectives. As such, the methodology is not, as Huntington Beach claims, fundamentally flawed.

HQTA Location, Population and Transit Access

The adopted final RHNA methodology includes a component that calculates need based on a jurisdiction's population within an HQTA in 2045 in Connect SoCal, SCAG's 2045 RTP/SCS. For planning and SCS purposes, SCAG identifies a "high quality transit area" as generally a walkable transit village or corridor that is within one-half mile of a major transit stop or High-Quality Transit Corridor (HQTC) as defined in Government Code 21155(b) and 21064.3 excluding freeway transit corridors with no bus stops on the freeway alignment. SCAG's technical methodology for identifying HQTCs and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor's Office of Planning and Research.

SCAG's definition of high-quality transit corridors is found in Appendix A of Connect SoCal's Transit Technical Report (attached) and indicates that:

Planned HQTCs and major transit stops are future improvements that are expected to be implemented by transit agencies by the RTP/SCS horizon year of 2045. These are assumed by definition to meet the statutory requirements of an HQTC or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCs with the adoption of a new RTP/SCS, once every four years.

However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS is updated by SCAG and as such it is understood that planned transit projects are subject to further project-specific evaluation, but that is the nature of the long-range planning process. While there is an inherent chance that transit agencies may change future plans, SCAG's

¹ The objectives are: 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. (Govt. Code § 65584(d).)

adopted final RHNA methodology uses this definition of 2045 HQTAs in order to better align future housing with anticipated future transit and promote the objectives and strategies of SCAG's adopted 2020 Connect SoCal Plan.

Huntington Beach correctly notes that there is not a specific statutory definition for future year HQTAs or HQTAs. SCAG's adopted RHNA methodology, which uses future year HQTAs as defined above and several other inputs, was reviewed by HCD on January 13, 2020 pursuant to their review authority in Government Code 65584.04(i) and found to further the statutory objectives of RHNA (attached). As a part of the RHNA methodology, the use of future year HQTAs contributed to this finding, specifically relating to RHNA objective #2 related to infill, environmental, and development efficiency.

The attached map shows the 2045 HQTA boundaries for the City of Huntington Beach which were used in Connect SoCal. SCAG worked closely with OCTA to identify the HQTAs in Orange County which form the basis for HQTAs. SCAG and OCTA together identified the Beach Blvd. corridor, including the entire alignment within the City of Huntington Beach, as both an existing and future HQTC. See figure 4.10 in OCTA's 2018 LRTP (attached). The nature of bus services is that routes and service frequency can change periodically, thus a CTC's estimate of future transit service frequency is the best estimate available at a given point in time—in this instance, the point in time required to complete Connect SoCal.

Specifically, OCTA provided data for inclusion in Connect SoCal which indicated a 10-minute AM and PM peak headway for Rapid Route 529 on the Beach Blvd Corridor and is identified in the Connect SoCal Project List as RTP ID 2160008. Thus, it is qualified as an HQTA for Connect SoCal and by extension, the adopted RHNA methodology.

In addition to the arguments related to the inclusion of this specific transit corridor, Huntington Beach also contends that OCTA is experiencing ridership and revenue declines during the COVID-19 pandemic; however, the City has not provided evidence of a specific change in future service which might impact whether the Beach Blvd corridor is designated as an HQTA. The City also suggests that the pandemic is currently impacting public transportation more generally; however, evidence is not provided to indicate that this is a sufficiently lasting trend through the end of the RHNA planning period (2029) and/or the Connect SoCal horizon year (2045).

The Wendell Cox report submitted as an attachment to this appeal also brings up several other issues in the context of HQTAs, including that access to jobs by transit “tends to be considerably less than by driving alone.” Recognizing that transit service is uneven across the region, the adopted RHNA methodology also allocates a substantial amount of housing need on the basis of automobile-based job accessibility. The report also contends that transit share is declining amongst low-income

workers; however, the policy objective of RHNA is to promote a better jobs-housing balance and this is accomplished by assigning housing to areas with future HQTAs, including Huntington Beach.

Greenhouse Gas Emissions and SCS Consistency

The City argues that the allocation is not consistent with the SCS and workers would be driving further which would increase greenhouse gas emissions. SCAG allocates both “projected need” and “existing need” in a manner that is consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal), which includes a GHG emission reduction target for the region. The 6th cycle RHNA does not change the population growth forecast from Connect SoCal for 2029 (end of RHNA period) or any other year including 2035 for which Connect SoCal is required to meet the greenhouse gas emissions target. The Connect SoCal Forecasted Regional Development Pattern is shown on Exhibit 1 of the Sustainable Communities Strategy Technical Report, p. 13. Specifically, the development pattern includes priority growth areas, incorporated areas, job centers, entitled projects and sphere of influence which together would accommodate 95% of the growth till 2045. The development pattern reflects the strategies and policies contained in Connect SoCal.

While RHNA would also require the City to address existing need, those units are intended to serve the existing population and were allocated based on transit and job access measures derived from Connect SoCal data. Therefore, the RHNA methodology for “existing need” also promotes an efficient development pattern in utilizing public transit, reducing commute distance and contribute to further reduce per capita greenhouse gas emissions. Accordingly, the total allocation for regional housing need (“existing need” and “projected need”) is aligned with the strategies and policies underlying the development pattern in the Connect SoCal, and the RHNA allocation methodology is consistent with meeting the region’s GHG emissions target.

Conclusion

An appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. Notwithstanding the City’s arguments, SCAG properly determined the allocation of housing need on the basis of future transit accessibility, HQTA considerations, and other factors pursuant to the adopted RHNA methodology which cannot be altered through the RHNA appeals process. Since the RHNA methodology was applied properly to Huntington Beach and the methodology was found by HCD to further RHNA’s statutory objectives including objective 3) related to jobs-housing balance, SCAG staff do not recommend a decrease to Huntington Beach’s draft RHNA allocation.

Issue 3: Availability of land suitable for urban development or for conversion to residential use [Government Code section 65584.04(e)(2)(B)].

Huntington Beach asserts that SCAG failed to consider the impact of sea level rise, planning for coastal inundation, and FEMA designated flood zones when allocating RHNA to Huntington Beach. Huntington Beach is not appealing on the basis of lands protected from urban development under existing federal or state programs [Section 65584.04(e)(3)].

Huntington Beach cites California Coastal Commission (CCC) documents indicating their role in planning and development approvals, and asserts that the CCC was not sufficiently engaged during the development of SCAG's RHNA methodology. Huntington Beach states that CCC guidelines recommend residential land to be rezoned to open space in order to accommodate managed retreat of areas subject to sea level rise, and that the RHNA methodology failed to include these and related analyses.

SCAG's Data/Map Books include an exhibit depicting 2 foot sea level rise areas; however, the City argues that a 3.5 foot sea level rise analysis would be more appropriate, and that sea level rise data are not used in Connect SoCal or RHNA calculations. The City also attests that data covering potential infill parcels contained in the Data/Map Book are inaccurate.

Huntington Beach argues that coastal cities are explicitly unable to accommodate any development, especially residential development, in sea level rise areas, and that these areas should be fully excluded from all aspects of the RHNA calculation.

SCAG Staff Response: Once again, a challenge to the RHNA methodology is not a basis for appeal. Moreover, it is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. Attachment 1 describes SCAG's extensive Bottom-Up Local Input and Envisioning Process which provided extensive engagement and review opportunities to ensure that forecasting growth in constrained areas was avoided. An updated version of the draft data/map book originally provided to and discussed with Huntington Beach in March 2018 is available at <https://scag.ca.gov/sites/main/files/file-attachments/huntingtonbeach.pdf> and specifically includes data on coastal inundation/sea level rise, protected natural lands, and flood hazard zones.

As such, Huntington Beach's forecasted growth – recorded as 517 households during the 2020-2030 period and used as an input to the RHNA methodology – would have reflected the development constraints referenced in the City's appeal. No evidence was submitted that these areas have changed since the most current input provided in August 2018. However, locally-reviewed growth forecasts are not the only part of the RHNA methodology—additional units are assigned on the basis of job and transit accessibility in particular. There is no requirement for each part of the RHNA methodology to consider each local planning factor.

These data/map books also included a draft map which used a rudimentary, region-wide approach to highlight potential infill or refill opportunities based on largely on property value. These were included for research purposes and were not used for growth forecasting or RHNA allocation purposes.

Per Government Code 65584.04(e)(2)(B), “the determination of land available 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.” While SCAG staff does not dispute that there may be areas at risk of flooding in the jurisdiction, the jurisdiction has not provided evidence that an agency or organization such as FEMA has determined that flood management infrastructure is inadequate to avoid flood risk in these areas. Additionally, the jurisdiction has not provided evidence that it cannot plan for its assigned draft RHNA allocation in other areas of the jurisdiction that are not at risk for floods specifically.

While Huntington Beach explains why it cannot accommodate growth in these areas, the City fails to explain if or why the 94.5% of the city’s land area which are not in the coastal zone or the 92.5% of the city’s land area which is not in a FEMA-designated flood zone cannot accommodate the additional housing units called for in its draft RHNA allocation. The presence of protected open space alone does not reduce housing need, nor does it preclude a jurisdiction from accommodating its housing need elsewhere. Specifically, Government Code Section 65584.04(e)(2)(B) indicates that:

“...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...”

In response to similar arguments made by the cities of Coronado and Solana Beach in their RHNA allocation appeals earlier this year,

“Coastal Commission Executive Director Jack Ainsworth said that while there are some constraints in the coastal zone related to increases in housing density around areas vulnerable to sea level rise and erosion, that doesn’t mean that there are not areas within the coastal zone where significant increases in housing density are possible. ‘To make a blanket statement that the Coastal Commission would not approve increases in housing density is simply not accurate,’ he wrote. “Over the past year or so, the Commission has demonstrated our commitment to increasing

housing density through individual permitting actions and our local coastal program planning efforts with local governments.’²

The California Coastal Act encourages the protection of housing opportunities for individuals of low and moderate incomes (Public Resources Code section 30604). Furthermore, the Coastal Act does not allow residential densities to be reduced (including projects making use of density bonuses) unless the density cannot feasibly be accommodated in conformity with the Local Coastal Program (Public Resources Code section 30604(f)). The Coastal Act also encourages the minimization of vehicle miles traveled (Public Resources Code section 30253(e)). In addition, in April 2020, the Coastal Commission recently issued new guidance on the “Implementation of New ADU [accessory dwelling units] Laws”.³

As such, the City can and must consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, alternative zoning and density, and accessory dwelling units. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s draft RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s RHNA allocation based on this factor.

Issue 5: Rate of overcrowding [Government Code section 65584.04(e)(7)].

Huntington Beach contends that because the city’s overcrowding rate (relative to the national rate) is less than that of the SCAG region it should receive a proportionately lower housing need allocation.

The City notes that approximately 34% of HCD’s determination of housing need for the SCAG region was based on a regional overcrowding adjustment (459,917 units out of the regional total of 1,341,827 units). The origin of this adjustment is that overcrowding in SCAG region is 6.76% higher

² *San Diego County cities push back on state-mandated housing goals*, San Diego Union Tribune, January 14, 2020 (<https://www.sandiegouniontribune.com/business/growth-development/story/2020-01-14/sandag-housing>).

³ Memo from John Ainsworth to Planning Directors of Coastal Cities and Counties dated April 21, 2020 re: Implementation of New ADU Laws (<https://documents.coastal.ca.gov/assets/rflg/California%20Coastal%20Commission%20ADU%20Memo%20dated%20042120.pdf>).

than the national average. Since Huntington Beach's overcrowding rate is only 0.31% higher than the national average, the City contends that its RHNA allocation should reflect this difference and be reduced by 6,428 units.

SCAG Staff Response: Government Code section 65584.01 *et seq.* allows HCD to use the region's level of household overcrowding as a factor in determining regional housing need. HCD elected to use this measure and determined that the region's level of overcrowding merited an adjustment to the region's housing needs based on extent to which the region's overcrowding rate exceeds the rate of the nation. This results in an adjustment of 459,917 units (comprising 34.2% of the total regional housing needs determination of 1,341,827 units). Both the statute and HCD's interpretation thereof frame overcrowding as an issue relevant to the regional housing market and not one limited by jurisdictional boundaries. In other words, overcrowding is a regional issue relevant to jurisdictions with both high and low levels of overcrowding themselves. There is no requirement that SCAG allocate housing units on the same basis HCD assigned housing need to the SCAG region (i.e. allocate to jurisdictions on the basis of their individual overcrowding rates). SCAG's adopted RHNA methodology relies on other factors to distribute housing need – namely job and transit accessibility – which more effectively furthers RHNA's statutory objectives, particularly with respect to increasing the mix of housing types, promoting socioeconomic equity, improving the interregional jobs-housing balance, and affirmatively furthering fair housing (AFFH).

Furthermore, the City mistakenly characterizes its RHNA allocation as being based on a "SCAG overcrowding adjustment" when there is no such adjustment in RHNA methodology. The City then proposes a different RHNA methodology; however, an alternative methodology cannot be considered by the appeals board and is not a basis for appeal. As such, SCAG staff does not recommend a revision to Huntington Beach's RHNA allocation on this basis.

Issue 4: Housing needs generated by the presence of a university campus within a member jurisdiction [Government Code section 65584.04(e)(9)].

Huntington Beach argues that the final RHNA methodology does not address the housing needs generated by universities across the region, specifically the needs for off-campus housing, referencing an Executive Summary to the adopted final RHNA methodology. The City alleges illegal political manipulation of the RHNA process with regards to discussions of university housing needs amongst Regional Council members since university housing needs were not discussed at the November 7th Regional Council meeting.

The City cites UCLA and Cal State system student housing documents which indicate housing shortfalls, overcrowding, and homelessness amongst students, and contends that SCAG failed to account for these needs in the development of the RHNA methodology.

The City furnishes a consultant study assessing the regional demand for off-campus housing generated by 13 universities in the SCAG region, citing a total need for housing 27,826 students by 2030. The City suggests that Huntington Beach's total RHNA should be reduced by 360 units based on the ratio of this demonstrated housing need to the regional housing needs determination of 1,341,827 units (alternately listed as 2.7% in the City's appeal letter and 2.07% in the consultant study).

SCAG Staff Response: While the RHNA methodology does not contain an executive summary, it appears as though the City is referring to discussion on page 24 of SCAG's adopted RHNA methodology relating to this local planning factor. This discussion concludes that region-wide, most university housing needs are addressed and met by the institution both on- and off-campus, but a small number of jurisdictions indicated that off-campus student housing is an important issue and that this may be best addressed in individual housing elements. As such, no distinct, additional factor or adjustment was included in SCAG's adopted RHNA methodology related to university housing needs.

RHNA is concerned with the region's and local jurisdictions' population within households and excludes population within group quarters as defined by the US Census Bureau, of which college dormitories are a part. Students living either with family or in other household types (e.g. with roommates) in non-group quarters housing would be included as part of a forecast of regional or local household population⁴ and thus would be reflected in the projected need component of the RHNA methodology.

Huntington Beach's local planning factor survey, which would have contributed to the regional assessment of this local planning factor which is referenced, was returned to SCAG (attached) but the City indicated that it was not impacted by university-generated housing needs.

The appeal proposes that this planning factor be applied in a different manner than what was adopted in the Final RHNA Methodology. Again, the City is proposing an alternative RHNA methodology which is outside the scope of the RHNA appeals process and cannot be considered by the Appeals Board. In addition, Huntington Beach fails to establish why the City is disproportionately affected in any way by housing need generated by colleges or universities. Notably, the City does not assert any housing needs generated by universities or campuses which are in Huntington Beach—the analysis provides a *regional* analysis of off-campus housing demand at 13 universities outside of Huntington Beach. Whether, and the extent to which, students at universities elsewhere may choose to live in Huntington Beach more than in other local

⁴ Details for how the Connect SoCal forecast treats group quarters population can be found in the Demographics & Growth Forecast Technical Report at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf

jurisdictions, is not explored in the City's analysis. As such, SCAG staff does not recommend a reduction on this basis.

Other: Legality of RHNA allocation and residual allocation; change in circumstances – COVID-19.

The City argues that the State's imposition of RHNA allocation requirements on Charter Cities violates the constitution and is in and of itself an illegal act. Huntington Beach also asserts that the residual reallocation portion of the RHNA methodology is illegal, capricious, is to the detriment of other statutory objectives, and prevents Huntington Beach from promoting socioeconomic equity. The City argues that the cap applied to lower-resourced jurisdictions is arbitrary that Santa Ana's RHNA allocation in particular should be higher as this cap is based on self-reported growth.

The City also argues that COVID-19 has resulted in a change in circumstances that have resulted in a strain on the ability of transit agencies to provide service resulting in a change in transit patterns.

SCAG Staff Response: As noted above in response to Issues 1, 2, 4 and 7, the adopted RHNA methodology is not grounds for an appeal, only its application may be appealed. SCAG's RHNA allocation process is fully consistent with State law.

The RHNA methodology is a complex balance of several regional objectives ranging from job-housing balance to Affirmatively Furthering Fair Housing (AFFH). Ultimately, AFFH is one of the RHNA objectives described in Government Code 65584(d) and the residual reallocation is part of the adopted final RHNA methodology. It furthers the AFFH objectives by ensuring that RHNA allocations are not concentrated in jurisdictions with lower opportunity scores, reallocating them to jurisdictions with higher opportunity scores (such as Huntington Beach). Huntington Beach asserts that this reallocation is to the detriment of job and transit access because DAC jurisdictions may not receive allocation on those bases, compromising these statutory objectives.

It is unclear from Huntington Beach's appeal how socioeconomic equity is undermined through this component of the RHNA allocation methodology, specifically given HCD's finding to the contrary. Per their January 13, 2020 letter (attached), HCD provided the finding that SCAG's RHNA methodology furthered all five objectives of State housing law, including the inclusion of the methodology's residual factor's connection to affirmatively furthering fair housing. As discussed in the response to Issue 5, assigning units to jurisdictions based on their own overcrowding rate, which was not part of a methodology found to further socioeconomic equity or other RHNA objectives, is not required and its consideration at this time would constitute a change to the methodology itself which is not possible through an appeal.

SCAG staff does not recommend a reduction to Huntington Beach's draft RHNA allocation based on this issue.

See response to Issues 1, 2, 4 and 7 above regarding HQTAs and changes in transit service as a result of COVID-19. SCAG recognizes that COVID-19 presents unforeseen circumstances. However, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

As noted above, the City has not provided evidence to indicate that change in transit service related to COVID-19 is a sufficiently lasting trend that will extend through the end of the RHNA planning period (2029) and/or the Connect SoCal horizon year (2045).

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report⁵ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term competitiveness or the region’s employment outlook for 2023-2045. As such, SCAG’s assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within Huntington Beach is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s draft RHNA allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-

⁵ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Huntington Beach)
2. HQTA Job Access Local Input Survey Form (City of Huntington Beach)
3. Comments Received During the Comment Period (General)
4. Appeal Form and List of Attachments (City of Huntington Beach)
5. Attachment No. 1 - Description of City's Appeal, Desired Outcome and Statements
6. Attachment No. 2 - Wendell Cox Expert Report
7. Attachment No. 3 - City of Huntington Beach Comment Letters
8. Attachment No. 4 - SCAG Technical Working Group Meeting_HighQualityTransitCorridorsand MajorTransitStops
9. Attachment No. 5a - OCTA Oct. 2019 Bus Book pages 1-2
10. Attachment No. 5b - OCTA Oct. 2019 Bus Book pages 3-4
11. Attachment No. 5c - OCTA Oct. 2020 Bus Book
12. Attachment No. 6 - SCAG Connect SoCal Master Response 1_page92
13. Attachment No. 7 - Figure 4.1 2018 OCTA LRTP
14. Attachment No. 8 -
June22_2020_OCTABoardAgendaItem22_BusOperationsPerformanceMeasurements
15. Attachment No. 9 - ITS_SCAG_Transit_Ridership_Falling Transit
Ridership_CaliforniaandSouthernCalifornia
16. Attachment No. 10a - American Public Transportation Ridership Report (4th Quarter_2008)
17. Attachment No. 10b - American Public Transportation Ridership Report (4th Quarter_2019)
18. Attachment No. 11 - HCD Regional Determination Letter August 19 2019
19. Attachment No. 12 - SCAG-Final-RHNA-Methodology-030520
20. Attachment No. 13 - UCLA_Student_Housing_Master_Plan_2016-26
21. Attachment No. 14 - UCLA_LRDP_Amendment_Final_SEIR-January2018
22. Attachment No. 15 - Cal State University Basic Needs Initiative Study
23. Attachment No. 16 - Terra Nova Planning and Research Inc. Memorandum
24. Attachment No. 17a - Making California's Coast Resilient to Sea Level Rise_Principles for Aligned
State Action
25. Attachment No. 18 - Chapter 5 CCC SLR Policu Guidance SLR in LCPs
26. Attachment No. 19 - Chapter 7 CCC SLR Policy Guidance Adaptation Strategies
27. Attachment No. 20 - SCAG Data Map Book
28. Attachment No. 21 - CCC SLR Adopted Policy Guidance 2018
29. Attachment No. 22 - Declaration of Wendell Cox in Support of Petitioner
30. Attachment No. 17b – Exhibits

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Huntington Beach had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Huntington Beach's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁶ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁷ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Huntington Beach, the anticipated number of households in 2020 was 79,048 and in 2030 was 79,565 (growth of 517 households). In March 2018, SCAG staff and CDR

⁶ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁷ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff met with staff from the City of Huntington Beach to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Huntington Beach submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Huntington Beach and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁸ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTAs) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

⁸ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of Huntington Beach

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Huntington Beach received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Huntington Beach as summarized in the data and calculations in the tables below.

Huntington Beach city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	427
Percent of households who are renting:	42%
Housing unit loss from demolition (2009-18):	2
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,309
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	17.56%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,765,000
Share of region's job accessibility (population weighted):	1.32%
Jurisdiction's HQT population (2045):	74,765
Share of region's HQT population (2045):	0.73%
Share of population in low/very low-resource tracts:	7.76%
Share of population in very high-resource tracts:	37.53%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Huntington Beach city	
Forecasted household (HH) growth, RHNA period:	427
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	13
Replacement Need	2
TOTAL PROJECTED NEED:	441
Existing need due to job accessibility (50%)	5534
Existing need due to HQTAs pop. share (50%)	3059
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	4304
TOTAL EXISTING NEED	12896
TOTAL RHNA FOR HUNTINGTON BEACH CITY	13337
Very-low income (<50% of AMI)	3652
Low income (50-80% of AMI)	2179
Moderate income (80-120% of AMI)	2303
Above moderate income (>120% of AMI)	5203

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 74,765 living within HQTAs, the City of Huntington Beach represents 0.73% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Huntington Beach’s median TAZ, it will be possible to 17.56% of the region’s jobs in 2045 within a 30-minute automobile commute (1,765,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 4,304 units assigned to the City of Huntington Beach.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF HUNTINGTON PARK

Hearing Date: January 8, 2021

The City of Huntington Park has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Huntington Park submits an appeal and requests a RHNA reduction of 1,000 units (of its draft allocation of 1,601 units). The grounds for appeal are as follows:

1. Availability of land suitable for urban development or for conversion to residential use - the City is already fully developed with limited land use, ranking 17th in the nation for highest density.
2. High housing cost burdens - increasing land value is affecting the City's affordability.
3. The rate of overcrowding - high density and overcrowding already results in insufficient parking and open space for its residents.
4. Sewer or water infrastructure constraints for additional development* - aging infrastructure is a constraint.

*While the City did not include this factor in the Appeal Request Form, the City indirectly raises the issue.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 8, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010821fullagn.pdf?1609455450>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

1. Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
2. Regarding high housing cost burdens, cost-burdened households are those who pay at least 30 percent of their household income on housing costs, and the regional determination already accounts for this issue.
3. Regarding overcrowding, the regional determination addresses this issue. Overcrowding is defined as more than 1.01 persons per room in a housing unit - a jurisdiction can increase its density without resulting in overcrowded housing units.
4. Regarding sewer or water infrastructure constraints, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction in the RHNA allocation.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeal Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 8, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Huntington Park

RECOMMENDED ACTION:

Deny the appeal filed by the City of Huntington Park (City) to reduce the Draft RHNA Allocation for the City by 1,000 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Huntington Park requests a reduction of its RHNA allocation by 1,000 units (from 1,601 units to 601 units) based on the following issues:

1. Availability of land suitable for urban development or for conversion to residential use - the City is already fully developed with limited land use, ranking 17th in the nation for highest density.
2. High housing cost burdens - increasing land value is affecting the City's affordability.
3. The rate of overcrowding - high density and overcrowding already results in insufficient parking and open space for its residents.
4. Sewer or water infrastructure constraints for additional development* - aging infrastructure is a constraint.

*While the City did not include this factor in the Appeal Request Form, the City indirectly raises the issue.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Huntington Park's RHNA allocation. Issue 1 was not demonstrated to be an impediment to meeting Huntington Park's RHNA

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Huntington Park (Final Determination of Appeals Decisions)

allocation since it does not consider the possibility of alternate zoning and additional opportunities such as accessory dwelling units. SCAG's final RHNA methodology already accounts for the issues raised in Issues 2 and 3. Based on Issue 4, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction in the RHNA allocation.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Huntington Park: 1,601 units

- Very Low Income: 263 units
- Low Income: 196 units
- Moderate Income: 242 units
- Above Moderate Income: 900 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Huntington Park. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City argues that as a city with only 3 square miles, it has limited land use available and is already fully developed, ranking 17th in the nation for highest density.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to allocate RHNA need. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

Issue 2: High housing cost burdens [Government Code Section 65584.04(e)(6)].

The City argues increasing land value is affecting the City’s affordability.

SCAG Staff Response: A RHNA allocation is a representation of a jurisdiction's existing and projected housing need. 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. Cost-burdened households are seen in both high- and low-income communities, suggesting that in most of the SCAG region high housing costs are a consistent problem for all income levels, and is a regional indicator of existing housing need. Meanwhile, a jurisdiction's assigned RHNA allocation is intended to address a share of regional housing need. Though RHNA methodology calculates jurisdictional existing need through the factors of job access and transit access, the regional existing need generated by housing crisis indicators are addressed.

While household cost burden is a regional problem, it is impossible to determine how and why the cost-burden is occurring in a particular jurisdiction. Cost-burden is a symptom of housing need and not its cause. A jurisdiction might permit a high number of units but still experience cost-burden because other jurisdictions restrict residential permitting. Or a jurisdiction might have a large number of owner-occupied housing units that command premium pricing, causing cost-burden for high income households and especially on lower income households due to high rents from high land costs. Because cost-burden is already addressed as a regional existing need and, at a jurisdictional level may not be a cause of existing need, SCAG staff does not recommend a change to the jurisdiction's draft RHNA allocation based on this factor.

Issue 3: *The rate of overcrowding [Government Code Section 65584.04(e)(7)].*

The City argues that high density and overcrowding has resulted in insufficient parking and open space for its residents already. Adding more residential units would exacerbate this problem.

SCAG Staff Response: Government Code Section 65584.04(e)(2)(B) encourages the consideration of available land beyond vacant land, including underutilized land, opportunities for infill development, and increased residential densities. It should be noted that increased density is not a synonym for overcrowding. Overcrowding is defined as more than 1.01 persons per room in a housing unit and a jurisdiction can increase its density without resulting in overcrowded housing units. One of the objectives of increasing housing supply is to reduce overcrowding and ironically, planning for fewer housing units than needed may in fact result in overcrowding.

While SCAG understands it is a challenge for jurisdictions to provide the appropriate infrastructure, parking, open space, and other public services, that does not preclude the jurisdiction from planning and zoning for the existing and projected housing need and cannot be considered as a basis for appeal.

As part of the regional determination, HCD applied an overcrowding component. Similar to cost-burden, overcrowding is caused by an accumulated housing supply deficit and is considered an

indicator of regional existing housing need. Because overcrowding is already addressed as a regional existing need, and infrastructure challenges do not preclude planning and zoning for housing need, SCAG staff does not recommend a change to the jurisdiction's draft RHNA allocation based on this factor.

However, SCAG recognizes many jurisdictions with especially high job and transit accessibility are lower-income and lower-resourced. As described in Attachment 1, the RHNA methodology applies a maximum to disadvantaged communities (DACs) equal to the 2045 household growth forecast. As a DAC, the City of Huntington Park received a reduction of 3,364 units, such that the City's total RHNA housing unit need does not exceed its 2020-2045 forecasted growth of 1,601 households. Please see Attachment 1, "Local Input and Development of Draft RHNA Allocation" which describes the extent of local engagement and review opportunities provided to local jurisdictions on the growth forecast. Review opportunities began in October 2017. While the initial deadline for input was October 2018, additional review opportunities were provided to all local jurisdictions through June 2020.

Issue 4: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)]

The City points to its aging infrastructure as a constraint.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water constraints mentioned by the jurisdiction, it is not evident that the respective water provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. In addition, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not required to develop the assigned units. For these reasons, SCAG staff does not recommend a housing need reduction based upon this planning factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Huntington Park)
2. Appeal Form and Supporting Documentation (City of Huntington Park)
3. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Huntington Park had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Huntington Park's Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.¹ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.² While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Huntington Park, the anticipated number of households in 2020 was 14,986 and in 2030 was 15,651 (growth of 665 households). In May 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input was not received. The preliminary figures above were used by SCAG.

¹ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

² A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Huntington Park submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities.

SCAG did not receive additional technical corrections from the City of Huntington Park from which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be

used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.³ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

³ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Huntington Park

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Huntington Park received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Huntington Park as summarized in the data and calculations in the tables below.

Huntington Park city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	549
Percent of households who are renting:	74%
Housing unit loss from demolition (2009-18):	137
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,601
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	18.06%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,814,000
Share of region's job accessibility (population weighted):	0.42%
Jurisdiction's HQT population (2045):	60,714
Share of region's HQT population (2045):	0.59%

Share of population in low/very low-resource tracts:	81.41%
Share of population in very high-resource tracts:	0.00%
Social equity adjustment:	170%

Calculation of Draft RHNA Allocation for Huntington Park city	
Forecasted household (HH) growth, RHNA period:	549
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	22
Replacement Need	137
TOTAL PROJECTED NEED:	708
Existing need due to job accessibility (50%)	1773
Existing need due to HQTAs pop. share (50%)	2484
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	-3364
TOTAL EXISTING NEED	893
TOTAL RHNA FOR HUNTINGTON PARK CITY	1601
Very-low income (<50% of AMI)	263
Low income (50-80% of AMI)	196
Moderate income (80-120% of AMI)	242
Above moderate income (>120% of AMI)	900

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 60,714 living within HQTAs, the City of Huntington Park represents 0.59% of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Huntington Park's median TAZ, it will be possible to reach 18.06% of the region's jobs in 2045 within a 30-minute automobile commute (1,814,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

While allocating housing need on the basis of job and transit accessibility is consistent with the statutory objectives of RHNA and represents factors in which Huntington Park scores highly, in the SCAG region many jurisdictions with especially high job and transit accessibility are lower-income and lower-resourced. The methodology applies a maximum to these so-called disadvantaged communities (DACs) equal to the 2045 household growth forecast, as described above. While Huntington Park's existing need factors score highly, as a DAC a residual factor of -3,364 is applied such that the City's total RHNA housing unit need of 1,601 units is not in excess of its 2020-2045 forecasted household growth plus approximately 3 percent.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF IRVINE

Hearing Date: January 25, 2021

The City of Irvine has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

Attachment: Determination Regarding Appeal from the City of Irvine (Final Determination of Appeals Decisions)

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Irvine submits an appeal and requests and requests a RHNA reduction of 8,259 units (of its draft allocation of 23,554 units. The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
 - a. Location of and population within HQTAs
 - b. Residual reallocation pursuant to the AFFH factor*
- 2) Existing or projected jobs-housing balance
- 3) Sewer or water infrastructure constraints for additional development
- 4) Availability of land suitable for urban development or for conversion to residential use
- 5) Lands protected from urban development under existing federal or state programs
- 6) County policies to preserve prime agricultural land
- 7) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
- 8) The rate of overcrowding
- 9) Housing needs generated by the presence of a university campus within a jurisdiction
- 10) Loss of units during a state of emergency,
- 11) The region's greenhouse gas (GHG) emissions targets
- 12) Changed circumstances
- 13) Affirmatively furthering fair housing*

* The AFFH factor is not checked on the appeal request form but is addressed in the appeal.

Other: The City contests the regional determination of 1.34 million units, consistency with the RTP/SCS as well as the achievability of the RHNA allocation.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 25, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph012521fullagn.pdf?1611371866>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the public hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows.

- 1) a. The location and population of HQTAs were correctly identified pursuant to the adopted, Final RHNA Methodology.
- 1) b. The residual reallocation at issue is part of the adopted Final RHNA Methodology and cannot be changed through an appeal.
- 2) through 11) Irvine has not demonstrated prior to the close of the public hearing that SCAG failed to consider any of the local planning factors listed and has not demonstrated prior to the close of the public hearing that additional residential development is precluded in other areas of the City not subject to the variety of constraints identified.

¹¹ Note that since the staff reports were published, SCAG updated its website, and therefore, weblinks in the staff report and Attachment 1 have also been updated.

Irvine does not contest SCAG's application of the Final RHNA Methodology; rather, Irvine challenges the Final RHNA Methodology itself by asserting that the methodology is inconsistent with the SCS. Given the differences in process and objectives between the approved RTP and RHNA methodologies, the City has not demonstrated inconsistent regional development patterns between these processes; housing need measures are appropriately assigned through the Final RHNA Methodology based on household growth in the RTP and factors maximizing the use of public transportation and existing transportation infrastructure.

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not part of the growth **forecasting** process. They reflect housing needs in the **current** population (i.e., "existing need") and do not result in a change in regional population. In accordance with Govt. Code § 65584.04(m)(1), this existing need is distributed consistent with the development pattern included in the SCS by distributing these units based on transit adjacency and proximity to jobs.

- 12) Regarding change in circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

With respect to other issues including the regional determination of 1.34 million units, consistency with the RTP/SCS as well as the achievability of the RHNA allocation, these are not bases for appeal and Irvine does not demonstrate the existence of any policy inconsistency which would impact the local planning factors cited.

On January 14, 2021, the City submitted an additional public comment letter responding to the staff report that had been circulated. Under Section 65584.05(d), the purpose of the public hearing is to "consider all appeals filed" and "all comments received" from HCD and local jurisdictions pursuant to Section 65584.05(c) (i.e., by December 10, 2020); however, staff and the Appeals Board nevertheless considered the City's submittal as part of the appeals.

In this letter, the City asserted a due process violation in that “SCAG’s contract agency counsel not only engaged in the prosecuting functions relating to the RHNA process by advising SCAG staff, but is concurrently advising the RHNA appeals board during the administrative appeals.” Attorney for the Appeals Board, Patricia Chen, addressed this issue during the City of Yorba Linda proceeding where she indicated that she was not serving as an advocate for any party including staff, appellants, or the Appeals Board, but rather, she has been assisting the Appeals Board and staff understand the statutory framework of the RHNA process and advising as to SCAG’s duties and responsibilities under the statute.

In the California Supreme Court decision, *Today's Fresh Start, Inc. v. Los Angeles County Office of Education*, 57 Cal.4th 197 (2013), an attorney served as both general counsel for the County Office of Education and its governing board. At issue was a legal challenge brought by a charter school seeking to overturn the County Board’s decision to revoke its charter on the grounds that the County Office and County Board had an unconstitutional overlapping adversarial and advisory functions in part because the same attorney served as general counsel for both the County Office and the County Board. The court found no impropriety on the part of the attorney serving in both roles:

“Today's Fresh Start repeatedly characterizes her as a prosecutor, but this misstates both the nature of the proceedings and [the attorney’s] role. The County Board was charged with considering and weighing the fruits of the staff investigation and what it showed in favor of and against revocation, as well as the argument and evidence of Today's Fresh Start. Statutorily, the County Office and County Board had no agenda, no stake in one outcome or the other. Thus, like many administrative proceedings the United States Supreme Court and we have previously approved, this was not a classic adversarial hearing, with a prosecutor and a defendant. There was no prosecutor here. [The attorney] presented no evidence, examined no witnesses, and made no argument in favor of revocation. Instead, [the attorney’s] role was to advise the County Board on its duties in deciding whether to direct charter revocation, just as she had previously advised County Office staff as to their powers and responsibilities when conducting an investigation of Today's Fresh Start. In neither capacity was she charged with being an advocate or an adjudicator.” (Id. at 223).

Similar to the facts underlying the decision in *Today’s Fresh Start*, the RHNA appeals are not the type of “classic adversarial hearing with a prosecutor an defendant” which case law has held, in other contexts, requires a separation of functions between counsel prosecuting a matter and counsel advising a neutral decision making body (i.e., with a prosecutor and defendant). In the present appeal (and all other appeals heard by the RHNA Appeals Board) the nature of the appeal (allocation of RHNA units based on statute and approved methodology) is not adversarial or prosecutorial, and, further, Ms. Chen

did not present evidence, examine witness, or make specific arguments in favor of an outcome. While due process may be required to separate the function of “adversarial” or “prosecutorial” advocates from attorneys advising decisionmakers, separation of functions is not required when an attorney serves in an evaluative or advisory role in a non-adversarial or prosecutorial hearing, and (in that case) the same attorney may serve as advisor to both staff and the decisionmaker. The record demonstrates and the RHNA Appeals Board specifically finds the facts demonstrate that Ms. Chen served in an evaluative and advisory role during the RHNA appeals process. As such, no due process violation occurred based on these facts.

During the appeals hearing, the Appeals Board requested additional information regarding the definition of HQTAs and HQTCs in Orange County, these issues were primarily raised with respect to Huntington Beach, but some of the issues raised in that appeal hearing were raised again with respect to the City of Irvine.

SCAG staff explained that the adopted Final RHNA Methodology is based on 2045 HQTAs and HQTCs adopted as part of the Connect SoCal Plan and further that SCAG relies on the applicable County Transportation Agency to identify these high quality transit locations. In Orange County the Orange County Transportation Agency (OCTA) was responsible for providing these data to SCAG.

SCAG verbally staff made the following points at the public hearing:

- Connect SoCal defines high quality transit areas (HQTAs) as “corridor-focused Priority Growth Areas within one half mile of an existing or planned fixed guideway transit stop or a bus transit corridor where buses pick up passengers at a frequency of every 15 minutes (or less) during peak commuting hours.”
- OCTA has not rescinded or amended their OC Transit Vision or their 2018 LRTP.

The following provides additional background information and a general timeline that was also generally verbally addressed by SCAG at the hearing:

January 2018 – OCTA completes the OC Transit Vision, a transit master plan for Orange County.¹²

- Public Engagement for OC Transit Vision includes engagement with elected officials and planning directors across the county.¹³ Page B-32 of the Public Engagement Report states:

¹² See <https://www.octa.net/pdf/OC%20Transit%20Vision%20Final%20Report.pdf>.

¹³ See <https://www.octa.net/pdf/App%20B%20Public%20Engagement.pdf>.

“Orange County elected officials and planning directors were engaged to provide input on the OC Transit Vision as well as the update to OCTA’s Long-Range Transportation Plan. Like the Citizens Advisory Committee, the feedback from these groups was tied to key milestones and helped to shape the final recommendations. The first meetings were held in May 2017, to present key findings from the State of OC Transit and to introduce the Transit Investment Framework, and in September 2017 to share preliminary recommendations for the Transit Opportunity Corridors and other service enhancements.”

- The OC Transit Vision web page states that “The recommendations from the OC Transit Vision were included in OCTA’s 2019 Long-Range Transportation Plan”.¹⁴

November 2018 – OCTA completes its 2018 Long Range Transportation Plan.¹⁵

- The 2018 LRTP identifies a commitment to “Implement OC Transit Vision” (pp. 93-94).
- Attachment D, Public Outreach Report, OCTA explicitly engaged with all 34 Orange County cities including elected officials (pp. 3-4 of Attachment D)

November 2018 – OCTA submits its project list to SCAG for Connect SoCal, including its 2018 LRTP transit network model input files.

November 2019 – SCAG releases Draft Connect SoCal for public review and comment.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City’s appeal and finds that the City’s RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG’s Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.

¹⁴ See <https://www.octa.net/Projects-and-Programs/Plans-and-Studies/Transit-Master-Plan/> (second paragraph, last sentence).

¹⁵ See <https://www.octa.net/pdf/OCTALRTP111618FINAL.pdf>.



Southern California Association of Governments
Remote Participation Only
January 25, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kevin Kane, Senior Regional Planner,
(213) 236-1828, kane@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Irvine

RECOMMENDED ACTION:

Deny the appeal filed by the City of Irvine to reduce the draft RHNA allocation for the City of Irvine by 8,259 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Irvine requests a reduction of its RHNA allocation by 8,259 units (from 23,554 units to 15,295 units) on twelve issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
 - a. Location of and population within HQTAs
 - b. Residual reallocation pursuant to the AFFH factor*
- 2) Existing or projected jobs-housing balance
- 3) Sewer or water infrastructure constraints for additional development
- 4) Availability of land suitable for urban development or for conversion to residential use
- 5) Lands protected from urban development under existing federal or state programs
- 6) County policies to preserve prime agricultural land
- 7) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
- 8) The rate of overcrowding
- 9) Housing needs generated by the presence of a university campus within a jurisdiction
- 10) Loss of units during a state of emergency,
- 11) The region's greenhouse gas (GHG) emissions targets
- 12) Changed circumstances
- 13) Affirmatively furthering fair housing*

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

* The AFFH factor is not checked on the appeal request form but is addressed in the appeal.

Other: The City contests the regional determination of 1.34 million units, consistency with the RTP/SCS as well as the achievability of the RHNA allocation.

The City of Irvine organized its appeal into the following five categories, but SCAG’s response to the issues raised follows the appeal request form (Issues 1 through 13 identified above as well as other issues not considered bases for appeal):

1. “Appeal one” relates to application of the adopted Final RHNA Methodology, specifically:
(A) contestation of the population within a high-quality transit area (HQTAs) and the reallocation of the so-called “residual” need.
(B) Affirmatively Furthering Fair Housing (AFFH) which was not included in Irvine’s appeal request form but centers on the reallocation of residual housing need based on AFFH.
2. “Appeal two” is based on the local planning factors (Issues 2 through 11 above) which Irvine contends were not sufficiently considered.
3. “Appeal three” cites changed circumstances (Issue 12), primarily related to job losses and other observed changes stemming from the COVID-19 pandemic.
4. “Appeal four” contests the regional determination of 1.34 million housing units, which is not a basis for appeal.
5. “Appeal five” relates to the issue of consistency between the RHNA and SCAG’s Sustainable Communities Strategy (SCS)—which along with the Regional Transportation Plan (RTP) form Connect SoCal. While this is not a basis of appeal, it is substantively similar to arguments raised in Irvine’s “Appeal Two” related to the local planning factors of RTP consistency and regional GHG emissions (Issues 7 and 11).

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Irvine’s RHNA allocation. In Issue 1a, the location and population of HQTAs were correctly identified pursuant to the adopted, Final RHNA Methodology. In Issue 1b, the residual reallocation at issue is part of the adopted, Final RHNA Methodology and cannot be changed through an appeal. With respect to Issues 2 through 11, Irvine has not demonstrated that SCAG failed to consider any of the local planning factors listed and has not demonstrated that additional residential development is precluded in other areas of the city not subject to the variety of constraints identified. With respect to Issue 12, given the long-range nature of our planning process and Irvine’s failure to demonstrate how changed circumstances uniquely impact the city such that its housing need is reduced, a reduction is not recommended.

With respect to other issues including the regional determination of 1.34 million units, consistency with the RTP/SCS as well as the achievability of the RHNA allocation, these are not bases for appeal and Irvine does not demonstrate the existence of any policy inconsistency which would impact the local planning factors cited.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Irvine: 23,554 units
 Very Low Income: 6,379 units
 Low Income: 4,225 units
 Moderate Income: 4,299 units
 Above Moderate Income: 8,651 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Irvine. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1a: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code section 65584.05 (b)(2)] – HQTAs location and population.***

The City of Irvine contends that SCAG’s assessment of 2045 HQTAs and population in 2045 HQTAs were inaccurate. The basis for this issue is that the methodology was not properly applied, pursuant to Government Code section 65584.05(a)(2):

“The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.”

Irvine claims that three of the four stops which associated with 2045 HQTAs, which are relied upon in the RHNA methodology’s assessment of existing housing need are not in the Connect SoCal project list and therefore should not be considered HQTAs. Furthermore, Irvine contests SCAG’s measurement of 2045 forecasted population within its HQTAs areas, contending that it should be lower.

SCAG Staff Response: SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs assessment. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

With respect to the statutory objectives¹, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met.

¹ The objectives are: 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 (Govt. Code § 65584(d)).

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another.

HQTA Location

SCAG appreciates the City of Irvine’s input into SCAG’s HQTA definition which was provided through SCAG’s Technical Working Group (TWG) in October 2019. This input resulted in the removal of freeway-running transit corridors with no bus stops on the freeway alignment from consideration as high-quality transit corridors (HQTC). This modification to the definition explicitly retained the areas surrounding the station-stop areas as those are proximate to high-quality transit service consistent with the HQTC definition in CA Pub. Res. Code § 21155(b). Ultimately, this led to a sharper regional definition for areas which are serviced by high quality transit and coincidentally led to a substantially lower HQTA population within the City of Irvine.

Irvine’s appeal now argues that the three freeway-running BRT station areas within its boundaries (Alton Parkway, Jeffrey Road, and Spectrum Center) should be excluded from the SCAG definition because they are not included in the Connect SoCal project list, because OCTA did not first consult with the City of Irvine before providing information regarding these transit service improvements to SCAG, and due to various land-use constraints in the 0.5-mile radius areas surrounding these stops.

First, SCAG’s definition of high-quality transit corridors is found in Appendix A of Connect SoCal’s Transit Technical Report (attached) and indicates that:

Planned HQTCs and major transit stops are future improvements that are expected to be implemented by transit agencies by the RTP/SCS horizon year of 2045. These are assumed by definition to meet the statutory requirements of an HQTC or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCs with the adoption of a new RTP/SCS, once every four years.

The nature of bus services is that routes and service frequency can change periodically, thus a CTC’s estimate of future transit service frequency is the best estimate available at a given point in time—in this instance, the point in time required to complete Connect SoCal. Future year HQTCs and

HQTAs are an important component of regional planning and facilitate the achievement of statutory goals including RHNA objectives to promote infill, encourage efficient development patterns, achieve the region’s GHG emissions targets, and improve the balance between jobs and housing.

OCTA’s 2018 and most recent Long Range Transportation Plan (LRTP) includes both the I-5 and SR-55 BRT projects, and their LRTP was developed with stakeholder engagement. In reviewing public comment records, Irvine did not appear to submit any written comments to OCTA on the Draft 2018 LRTP. OCTA staff were clear in stating that the LRTP is intended to be an input to SCAG’s RTP update. OCTA I-5 BRT has 15-min AM and PM peak headways beginning in 2027 per the OCTA LRTP and is coded in the 2045 Plan. Both I-5 and SR-55 BRT projects are included in RTP Project ID 2160008. Both routes are in the HQTAs maps of the Connect SoCal Transit Technical Report (attached).

Irvine states that the I-5 and SR-55 BRT station stops are conceptual and not yet been studied or deemed feasible. For the RTP purposes this is not an issue – it is understood that further project-level planning and environmental studies would be performed in accordance with state and federal law and SCAG relies on CTCs to provide these assumptions. SCAG is required to make assumptions about RTP projects’ scope and timeline to support modeling and emissions analysis needed for the conformity determination. SCAG’s Final RHNA Methodology explicitly made use of Final Connect SoCal data points such as HQTAs which are a vetted, well-established, well-understood mechanism for linking areas of current and potential future growth with transit access with the objective of reducing GHG emissions among other outcomes. SCAG’s definition of an HQTA is described above and has been subject to extensive discussion and public review.

Irvine also identifies constraints to residential development in the areas surrounding these station-stops. However, the RHNA methodology in no way specifies where, within a jurisdiction’s boundaries housing should be promoted. The methodology uses objective, region-wide factors to determine one jurisdiction’s housing need versus another. It is the role of the local jurisdictions’ housing element to decide where units allocated to the jurisdiction through the RHNA process are accommodated. Even still, the RHNA methodology uses TAZ-level growth forecast information provided by the City of Irvine to assess future population in HQTAs so as to assess future HQTA population as equitably as possible region-wide. Per Attachment 1, following additional review opportunities, SCAG directly used the local input TAZ growth distribution for the City of Irvine as the basis for this measure and any constraints to development in these station areas would have been amply considered during that process.

The Regional Council decided to include planned HQTAs following this definition as a component of the RHNA methodology. The evidence submitted by the City of Irvine does not suggest that these three stations should be excluded from consideration as HQTAs and therefore an HQTA. As such,

the inclusion of these stations does not indicate a misapplication of the adopted final RHNA methodology.

HQTA Population

Irvine also contends that the HQTA population should be lower, suggesting that SCAG may not have “prorated” TAZ populations based on which portions of TAZs are inside of HQTAs versus outside of HQTAs. Irvine totals all the TAZs which lie completely or partially with HQTA boundaries and indicates a total population of 43,719 which is slightly lower than the HQTA population of 43,855 used by SCAG (note that Irvine’s appeal incorrectly states that this figure is 43,892).

In order to estimate the population of each city which lies within each HQTA boundary, SCAG uses small area forecast data provided through the Bottom-Up Local Input and Envisioning Process. While the transportation analysis zone (TAZ) geography is more commonly used, SCAG’s forecast contains a higher degree of accuracy and is associated with local general plans down to the parcel level. In addition, TAZs contain an average of 2,000 residents across the region and as such are not sufficiently accurate for measuring anticipated population within a precisely defined HQTA. Thus, SCAG relies on forecasted population from Connect SoCal in Scenario Planning Zones (SPZs) to associate with HQTA boundaries using area-weighted interpolation. As SPZs are approximately 1/10th the size of TAZs, this is the most accurate method that could be devised to estimate future populations in bespoke areas across a large region using locally reviewed input data.

The attached map of Irvine’s HQTA areas by population and overlays this information with the HQTAs within the city. 150 SPZs lie fully within HQTA boundaries. An additional 127 SPZs lie partially within HQTA boundaries—this population is proportionally allocated to HQTAs based on how much of each SPZ’s land area is within HQTA boundaries. The sum results in 43,855 people being assessed as within HQTA boundaries in Irvine. These data are equivalent to the small-area population forecast data in Connect SoCal’s Growth Vision (discussed further in Attachment 1), which for Irvine matches the data provided by the City during the Bottom-Up Local Input and Envisioning Process. These data have been continuously available to local jurisdictions for review through the Scenario Planning Model (SPM).

It is important to have regionally standardized approaches in all parts of the RHNA methodology in order to ensure that housing units are allocated fairly and consistently, and this approach is part of the adopted Final RHNA Methodology. Irvine has not provided evidence to suggest that the process underlying the adopted Final RHNA Methodology for arriving at HQTA population is in any way flawed or incorrectly applied. As such, SCAG staff does not recommend a reduction in the City’s draft RHNA allocation based on this issue.

Issues 1b and 13: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code section 65584.05 (b)(2)] -- residual reallocation pursuant to the AFFH factor.

Irvine contends that the residual reallocation distribution component of the RHNA methodology, which relates to Disadvantaged Communities (DACs) and requirements to affirmatively further fair housing (AFFH), was based on a failure to adequately consider information for the methodology pursuant to Government Code section 65584.05(b)(2):

“The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.”

Note that Irvine does not base its appeal on Affirmatively Furthering Fair Housing, which is an allowable appeal basis. Specifically, Irvine contends that:

- *TCAC/HCD data relied upon for this part of the RHNA methodology were not intended for this purpose and their accuracy in capturing local conditions is questionable,*
- *The manner in which “Residual need” is redistributed within a county was not adequately vetted prior to its adoption by the Regional Council,*
- *The City of Santa Ana’s draft RHNA allocation is based on projected growth figures which are outdated which impacts Irvine’s RHNA allocation (these issues have also been raised in Irvine’s separate appeal of Santa Ana’s draft RHNA allocation), and*
- *The redistribution of residual need portion of the RHNA methodology is contrary to Sustainable Communities Strategy goals, e.g. promoting job and transit access.*

SCAG Staff Response: First, the SCAG Regional Council took action on both the Draft and Final RHNA methodology pursuant to properly noticed agendas and every member of the Regional Council, in addition to a significant number of members of the public, had ample opportunity to place on the record, both in writing and in person, their relevant input for the Regional Council’s consideration. For example, no less than fourteen (14) letters were acknowledged on the record and these were made available for public and SCAG review prior to the Regional Council’s action on the draft methodology, all in compliance with applicable law. It should also be noted that the draft methodology was reviewed by HCD and was found to further statutory objectives of RHNA on January 13, 2020. On March 5, 2020, SCAG Regional Council adopted the draft methodology as the final methodology.

Further, for the draft methodology, many members of the public offered oral testimony on the issue both in support of the original staff recommendation and in support of the alternative draft

RHNA methodology that was ultimately approved after a robust discussion among the Regional Council, with staff offering input and answering questions as requested. Both methodologies had been presented in the staff report that was published in the November 7th, 2019 Regional Council meeting agenda in advance of the meeting in accordance with applicable law. Finally, members of the Regional Council were given wide opportunity to offer input and comments during the course of the discussion and consideration of the item.

The November 7th Regional Council action was preceded by more than nine months of preparatory work and the regional planning process is necessarily complex and multi-faceted. That there are competing interests and priorities is not new. Since the start of the RHNA process in October 2018, SCAG staff has been committed to a fair and transparent process from the very beginning.

The RHNA methodology is a complex balance of several regional objectives ranging from job-housing balance to affirmatively furthering fair housing. Ultimately, AFFH is a RHNA objective and the residual reallocation is part of the adopted final RHNA methodology—it is not an addition afterward, nor is it an optional element. Government code 65584.04(i) vests authority to assess whether a methodology furthers the statutory objectives in HCD. In HCD’s 1/13/2020 letter (attached), HCD finds that SCAG’s RHNA methodology furthers all five statutory objectives, stating,

“HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology. This factor directs more lower income RHNA to higher opportunity areas and reduces allocations in segregated concentrated areas of poverty, as defined in the HCD/TCAC Opportunity Maps, which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes.”

This quotation makes clear that this adjustment was critical in securing HCD’s finding that the RHNA methodology furthers the AFFH objective of RHNA. While Irvine notes “limitations” to this data source, such an argument is not unique to this, or any other data source. Not only had the 2019 opportunity mapping data been part of previous proposed variations of the methodology, but these data went through an extensive development and public review process during their development by the California Fair Housing Task Force (see <https://www.treasurer.ca.gov/ctcac/opportunity.asp>). and vetting through TCAC and HCD. The RHNA methodology uses several robust, vetted data sources which are agreed upon in advance and are able to equitably assess conditions between one jurisdiction and another. The City does not provide evidence regarding any error in how Irvine’s local conditions were reflected in this dataset, and changes cannot be made to the adopted RHNA methodology through the appeals process.

Irvine also contends that Santa Ana’s growth forecast is outdated, which results in a higher draft RHNA allocation for the City of Irvine, and that there was insufficient time to identify this issue in

advance of the adoption of the RHNA methodology. The Bottom-Up Local Input and Envisioning Process, described in Attachment 1, afforded equal opportunity for Santa Ana, Irvine, and 195 other local jurisdictions to provide growth forecast information in the same manner between 2017 and 2018. Specific issues related to Santa Ana will be discussed in more detail during the time allotted to discuss the appeals on Santa Ana's draft RHNA allocation.

The City contends that it is bearing the burden of other jurisdictions; however, the residual reallocation is part of the adopted Final RHNA Methodology—not a step which is “added” afterward but is a plan to allocate need based on regional considerations. Irvine further contends that Orange County is singled out regarding the residual reallocation; however, the methodology is consistent in its application across counties and does not include any specific exemptions or treatments for Orange County.

Irvine's contention that the residual need component of the Final RHNA Methodology is inconsistent with the Sustainable Communities Strategy (SCS) portion of Connect SoCal is flawed. The RHNA methodology is a complex balance of several regional objectives ranging from jobs-housing balance to AFFH. Ultimately, AFFH is one of the RHNA objectives described in Government Code 65584(d) and the residual reallocation is part of the adopted Final RHNA Methodology. It furthers the AFFH objectives by ensuring that RHNA allocations are not concentrated in jurisdictions with lower opportunity scores, reallocating them to jurisdictions with higher opportunity scores. Irvine asserts that this is to the detriment of SCS goals and thus injures the SCS consistency described in Government Code 65584.04(m)(1), which is a finding which SCAG must make following the adoption of the final RHNA allocation. The reason for this assertion is that DAC jurisdictions may not receive allocation on those bases, compromising other statutory objectives and the SCS consistency described in. However, the residual reallocation at issue is made to non-DAC jurisdictions *on the basis* of their job and transit access levels.

Since the residual reallocation is part of the adopted RHNA methodology which was found by HCD to further AFFH, and since Irvine has not identified an error in how the methodology was applied, SCAG staff does not recommend a reduction based on this issue.

Issue 2: Existing or projected jobs-housing balance [Government Code section 65584.04(e)(1)].

Government Code section 65584.04(e)(1) provides that to the extent that sufficient data is available, the following factor shall be included in developing the methodology that allocates regional housing needs:

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

The City contends that its job centers are regional in nature and that employees may live in adjacent jurisdictions. Requiring the City to find adequate sites for both the aggregate total of the RHNA allocation and the various income levels may require employment centers to be rezoned, and these job losses would negatively impact Irvine’s jobs and housing relationship.

SCAG Staff Response: Irvine does not provide evidence to indicate that SCAG failed to consider the jurisdiction’s jobs and housing relationships to merit a reduction in its Draft RHNA Allocation. In recognition of the fact that in the SCAG region only 20% of workers live and work in the same jurisdiction, the RHNA methodology is based on *access to jobs*. This is consistent with Irvine’s contention that living in an adjacent jurisdiction to one’s workplace may in fact be beneficial. Despite having a very large employment base, Irvine ranks only 28th amongst larger cities in the region based on the job access measure used in the methodology (17.45% of 2045 regional employment accessible—see Attachment 1 for details). Irvine’s 2020 projected employment-to-households ratio in Connect SoCal is 2.73, which is far higher than the 1.37 ratio for the SCAG region and is the 2nd highest amongst the region’s larger cities².

In its appeal the City notes that job losses from rezoning employment centers for housing would negatively impact the city’s jobs-housing relationships; however, since the city’s employment base exceeds its households by a wide margin, it is unclear from the appeal how additional housing stock would negatively impact this relationship. Therefore, SCAG staff does not recommend a reduction based on this issue.

² Above 50,000 population, per 2019 DOF estimates

Issues 3 and 4: Sewer or water infrastructure constraints for additional development [Section 65584.04(e)(2)(A)] and availability of land suitable for urban development or conversion to residential use [Section 65584.04(e)(2)(B)].

Government Code section 65584.04(e)(2) provides that to the extent that sufficient data is available, the following constraints shall be included in developing the methodology that allocates regional housing needs:

“(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.”

The City contends that the majority of land suitable for urban development in the City is entitled through development agreements that allow units to be constructed in phases and that nearly all planning areas have met the maximum number of units and there is no vacant land available. Also, the City has areas identified as Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP), which limit development.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. It is not evident from Irvine’s appeal that a water provider has rendered a decision that would prevent the city from providing necessary infrastructure.

With respect to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can and must consider other opportunities for development besides vacant land. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth. Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

While Irvine notes that development agreements typically take place in phases and cannot be modified by the City and that other areas are protected natural areas, these factors do not constitute evidence that additional residential development in any of the myriad forms permitted for inclusion in housing elements is not possible in all other areas of the city.

SCAG recognizes there are many environmental (e.g., NCCP/HCP protections) and other constraints to development on portions of the land in the City of Irvine. However, this does not preclude additional residential development (i.e. infill) outside of such constrained areas. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, alternative zoning and density, and accessory dwelling units. On June 10, 2020, HCD released extensive guidelines for housing element site inventories.³ A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, page 32 of the guidelines indicates that “In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

³ See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Market conditions and the cost to develop and construct the allocated new housing units within a jurisdiction should not be considered by SCAG as a justification for a RHNA reduction since the RHNA Allocation does not provide a building quota or mandate. The City is not responsible for obtaining land or developing housing, it is only required to plan and zone for its determined housing need. Based on the above, SCAG staff does not recommend a reduction based on this issue.

Issue 5: Lands protected from urban development under existing federal or state programs [Section 65584.04(e)(2)(C)].

Government Code section 65584.04(e)(2)(C) provides that to the extent that sufficient data is available, the following constraint shall be included in developing the methodology that allocates regional housing needs:

“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 nonagricultural uses.”

The City contends that certain areas of Irvine are protected from development by the regional NCCP and the City of Irvine Open Space Initiative (City Resolution 88-1).

SCAG Staff Response: See also response to Issues 3 and 4 above. It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that these areas have changed since the most current input provided prior to October 2018.

In addition, while the City of Irvine has indicated it cannot accommodate units in these specific areas, no evidence has been provided that the jurisdiction cannot accommodate its RHNA allocation in other areas. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere.

Furthermore, while SCAG commends the City’s commitment to conservation and habitat protection, the City’s decision to join the regional NCCP and to implement City Resolution 88-1, does not constitute evidence that additional residential development in any of the myriad of forms permitted for inclusion in housing elements (as discussed above in Response to Issues 3 and 4) is not possible in all other areas of the city. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s RHNA allocation based on this factor.

Issue 6: County policies to preserve prime agricultural land [Section 65584.04(e)(2)(D)].

Government Code section 65584.04(e)(2) provides that to the extent that sufficient data is available, the following factor shall be included in developing the methodology that allocates regional housing needs:

“(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.”

The City contends that its General Plan Conservation and Open Space Element includes Objective L-10 that encourages the maintenance of agriculture in undeveloped areas of the City until the time of development and in areas no available for development.

SCAG Staff Response: See also response to Issues 3, 4 and 5 above. The City cites an objective in its general plan which encourages maintenance of agricultural areas until the time of development and in areas not available for development. However, a city’s general plan objective would not fit the statutory criteria of a county policy to preserve prime agricultural land within an unincorporated area, nor does Irvine’s appeal indicate why the City’s housing need would in any way be impacted by county policies governing unincorporated areas. Also, no local ballot measure is presented. Therefore, SCAG staff does not recommend a reduction based on this issue.

Issues 7 and 11: Distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Government Code section 65584.04(e)(3)] and the region’s greenhouse gas (GHG) emission targets [Government Code section 65584.04(e)(12)].

Irvine contends there to be an inconsistency between the Regional Housing Needs Assessment and Sustainable Communities Strategy. This is not a basis for an appeal; however, issues raised are common to two factors that are bases for appeal. Government Code section 65584.04(e) provides that to the extent that sufficient data is available the following factors shall be included in developing the methodology that allocates regional housing needs:

“(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.

...

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

Irvine argues that the RHNA methodology is inconsistent with the growth patterns of Connect SoCal largely due to its inclusion of an “existing need” of 836,857 units—a housing unit total which is not reflected in the household forecast of Connect SoCal and cites vehicle miles traveled (VMT) per capita statistics to illustrate longer commutes for City of Irvine residents.

SCAG Staff Response: While Connect SoCal is required under state planning law to identify areas sufficient to house the 8-year RHNA need pursuant to Government Code Section 65080(b)(2)(B)(iii), the RHNA allocation of housing need is a distinct process set forth under state housing law, Government Code Section 65584 *et seq.* The RHNA requirements address the mandate to plan for housing units to further statutory objectives. The RHNA establishes “minimum housing development capacity that cities and counties are to make available via their land use powers to accommodate growth within a planning period.”⁴

The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. Actual housing production depends on a variety of factors external to the identification of need through RHNA—local jurisdictions frequently have sufficient zoned capacity but actual housing construction depends on market and other external forces. For example, per HCD’s Annual Progress Reports covering new unit permits through 2018, the region’s low and very-low income permits totaled 19,328 units (2,494/year) compared to the RHNA allocation of 165,579 units (21,365/year).

In contrast, the Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given regional factors such as births, deaths, migration, and employment growth as well as local factors, which includes the availability of zoned capacity.⁵

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. They reflect additional latent housing needs in the current population (i.e., “existing need”) and do not result in a change in regional population.

⁴ Concurrence in Senate Amendments, AB 1771 (Bloom), as amended August 24, 2018 Comments at p.4 (Original Committee Reference: H. & C.D.).

⁵ For details, see Connect SoCal’s Demographics and Growth Forecast Technical Report at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf

Ultimately it is this difference between these processes which accounts for the difference between the reasonably foreseeable household growth rate included in Connect SoCal and the development capacity target which RHNA envisions for the City of Irvine.

Following adoption of SCAG’s Final RHNA allocation, local jurisdictions must update their housing elements (as needed) to provide sufficient zoned capacity for the total 6th Cycle allocation pursuant to state guidelines. Updated housing elements are due in October 2021. Pursuant to Government Code Section 65583(c)(1)(A), local jurisdictions will have until January 2025 to complete any necessary rezoning to accommodate their RHNA allocation. Until this planning work is done at the local level, it would be speculative for Connect SoCal to make assumptions about potential development levels and patterns that includes the 6th Cycle “existing need.” Once this process is complete, in future RTP/SCS development processes SCAG will re-evaluate the reasonably foreseeable future growth pattern, including the potential impact of any policy changes made in response to the 6th cycle RHNA allocations.

An additional key difference is that the RHNA process only permits SCAG to allocate jurisdiction-level totals (by income category), whereas the RTP/SCS requires SCAG to model future transportation patterns and Greenhouse Gas (GHG) impacts, which requires an estimate of *where* within the jurisdiction future growth may occur. As such, the RHNA process requires adapting Connect SoCal’s key policy direction in order to ensure that *development patterns* are generally consistent across the two processes. For example, Connect SoCal achieves its jobs-housing balance objectives in part by envisioning a set of 72 individual job centers across the region; however, this relies on within-jurisdiction prediction of the location of development. The final RHNA process adapts this concept by developing a measure of job accessibility at the jurisdiction-level—using Connect SoCal data—to ensure consistent strategic and policy direction. Similarly, half of existing need is allocated on the basis of the jurisdiction’s share of the region’s population in a HQTAs in 2045 as defined in Connect SoCal and discussed above. This consistent strategic and policy direction results in the Final RHNA Methodology and Draft RHNA Allocation’s consistency with the development patterns in the SCS, pursuant to Government Code section 65584.04(m)(1):

“It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.”

For further discussion see Attachment 1 as well as Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf

Relatedly, the California Air Resources Board (CARB) GHG emissions reduction target of 19% by 2035 was achieved by Connect SoCal which, per the above, has sufficient policy alignment and consistency in development patterns with the RHNA methodology—in part due to the existing need measures of job and transit access which assign housing units on the basis of key drivers of regional GHG reduction potential. While Irvine cites VMT per capita statistics based on standards within the city, this analysis does not address regional GHG emissions which are the appeal basis in Government Code section 65584.04(e)(12) and are achieved through the RHNA methodology's aforementioned policy alignment with Connect SoCal.

Since the City of Irvine has not provided evidence to suggest that its Draft RHNA Allocation was based on a failure to consider these local planning factors, SCAG staff does not recommend a reduction on these bases.

Issue 8: The rate of overcrowding [Section 65584.04(e)(7)].

Government Code section 65584.04(e)(7) provides that to the extent that sufficient data is available, “the rate of overcrowding” shall be included as a factor in developing the methodology that allocates regional housing needs.

The City contends that the definition of “overcrowding” has not been clearly established and recommends that SCAG determine a definition rather than use the US Census Bureau’s definition of one person per room.

SCAG Staff Response: Irvine argues that there is lack of clarity in the Census Bureau’s definition of overcrowding. However, no explicit measure of overcrowding at the jurisdictional-level is used, nor is required to be used, in SCAG’s adopted final RHNA methodology. Irvine does not provide any evidence to suggest a reduction in the City’s housing need is merited on the basis of any measure of overcrowding. Therefore, SCAG staff does not recommend a reduction based on this issue.

Issue 9: Housing needs generated by the presence of a university campus within a jurisdiction [Section 65584.04(e)(9)].

Government Code section 65584.04(e)(9) provides that to the extent that sufficient data is available, the following factor shall be included in developing the methodology that allocates regional housing needs:

“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.”

The City contends that that there are three colleges or universities within its boundaries and that the COVID-19 pandemic has disrupted in-person instruction in many instances. The City suggests that fewer students and faculty may need housing on or near campus.

SCAG Staff Response: While the City argues that fewer students and faculty may need housing on or near campus, it does not provide evidence from these colleges/universities or other sources which would indicate how and to what extent this change will reduce housing need within the household population of the City of Irvine (i.e. outside of dormitories or school-provided housing and thus under the purview of Connect SoCal’s household growth forecast and RHNA), particularly over the 8-year planning horizon of RHNA. The City simple speculates that “it is a very realistic possibility that restrictions on the percentage of students permitted to attend in person classes may not be lifted for years to come, dramatically impacting the number of students and faculty needing on campus or near campus housing.” Therefore, SCAG staff does not recommend a reduction based on this issue. See also the Response to Issue 12, regarding changed circumstances and COVID-19 below.

Issue 10: *Loss of units during a state of emergency [Government Code section 65584.04(e)(11)].*

Government Code section 65584.04(e)(11) indicates that to the extent that sufficient data is available the following factor shall be included in developing the methodology that allocates regional housing needs:

“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.”

The City contends that there has been a major wildfire in or near Irvine every decade since the 1980s.

SCAG Staff Response: Irvine does not provide any evidence to suggest that wildfire risk either was not sufficiently considered in SCAG’s development of the RHNA methodology or otherwise may merit a reduction of housing needs in the City of Irvine. Therefore, SCAG staff does not recommend a reduction based on this issue.

Issue 13: Changed circumstances [Government Code section 65584.05(b)(3)].

Government Code section 65584.05(b)(3) provides that to the extent that sufficient data is available, the following factor shall be included in developing the methodology that allocates regional housing needs:

“A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.”

Irvine primarily contends that job losses stemming from COVID-19 merit a reconsideration of long-range employment forecasts. Irvine also notes that the rise in telecommuting and a purposed shift in desire for more open space and less dense living are also changed circumstances resulting from COVID-19 which will continue following the pandemic. The city contends that reliance on existing 2045 employment projections in the current RHNA methodology is thus flawed.

Irvine cites a City resolution encouraging long-term telecommuting, high regional unemployment rates currently experienced, instances of corporate campuses being eliminated, decreases in passenger air travel, and potential reduction in in-person education at colleges and universities in Irvine. In addition to providing statewide unemployment statistics, the City indicates that 2,490 jobs have been lost in Irvine since July 2020.

SCAG Staff Response: While SCAG staff recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment, these facts, as presented by the City, “do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04” (Government Code section 65584.05(b)(3)). Furthermore, section 65584.05(b) requires that,

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

While the City or Irvine provides several anecdotes related to COVID-19’s economic and social impacts, comparable data following this standard is not provided by the City of Irvine.

SCAG’s Regional Council delayed the adoption of the 2020 RTP/SCS by 120 days in order to assess the impact of COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report outlines the process for forecasting long-range employment growth

which involves understanding national growth trends and regional competitiveness, i.e., the SCAG's region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region's long-term competitiveness or the region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Irvine does not provide evidence suggesting that any of the other potential COVID impacts listed (e.g. job losses, telecommuting increases, a desire for open space, lower in-person college enrollment, etc.) reduce housing need in any way.

Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in Irvine's appeal that indicates that housing need within the City is disproportionately impacted in comparison to the rest of the SCAG region by these potential changes. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

Other: HCD's regional determination of 1.34 million housing units, achievability and RTP/SCS consistency.

Irvine contends that HCD's regional determination of 1.34 million housing units violates state law.

Irvine also argues that "achievability" is a standard.

Irvine argues there to be an inconsistency between the Regional Housing Needs Assessment and Sustainable Communities Strategy.

SCAG Staff Response:

Regional Determination

SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination.

SCAG's development of a consultation package to HCD regarding the regional housing needs determination took place during the first half of 2019. During this time SCAG extensively reviewed a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and state. On March 27, 2019 SCAG convened a panel of fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, state statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow sufficient time for the development of a methodology, appeals, and local housing element updates.

The defined timeframes are guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This "determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

During both the consultation process and the filing of SCAG's formal objection to HCD's regional determination, SCAG extensively reviewed the issues brought up in these recent reports including a variety of indicators of housing backlog such as cost burden, overcrowding, demolition, and vacancy. In addition, SCAG has a well-developed program for forecasting population and household growth in the region which is conducted with the advice and collaboration of the state Department of Finance's forecasting staff. SCAG assessed the relationship between the measures used and not used in its analyses in order to avoid overlap ("double counting").

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation

plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. Following SCAG's formal objection filed on September 18, 2019, HCD did not materially change the regional determination following SCAG's formal objection filed on September 18, 2019, and there are no further mechanisms provided for in statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process—namely the adoption of a Final RHNA Methodology, conducting an appeals process, and issuing final RHNA allocations.

A report by Freddie Mac's Economic & Housing Research Group titled "The housing supply shortage: State of the states" was released in February 2020, and a slide deck titled "Double counting in the latest housing needs assessment" was placed on the Embarcadero Institute's website during 2020 (last update September 2020). Notwithstanding the merits (or lack thereof) of these studies, in order for such materials to have been considered by HCD, they would have had to have been submitted by June of 2019 as discussed above. Furthermore, as discussed above, SCAG's consultation package to HCD regarding the regional determination contained an extensive quantitative assessment of overcrowding, vacancy, and cost burden factors and a discussion of the issue of double-counting.

Additionally, these studies are regional in nature and do not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was incorrectly applied to determine the jurisdiction's share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

Achievability

While an objective of the RHNA statute is to facilitate the eventual construction of new housing units to meet housing needs, achievability of this objective is not a basis for appeal. Citing its inclusionary housing program, Irvine estimates that 127,580 sites would be needed to accommodate the very low income RHNA allocation. However, the ability to count lower income RHNA sites in the housing element is set forth by HCD, not Irvine's estimate. As described above, HCD's site inventory guidelines describe a wide range of alternative options for accommodating housing need identified in the RHNA. Therefore, SCAG staff does not recommend a reduction based on this issue.

Consistency between RHNA and the SCS

While the consistency between the RHNA and the SCS is not a basis for appeal, the issues raised by the City are addressed in the responses to Issues 7 and 11 above. Staff does not recommend a reduction based on this issue.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Methodology (City of Irvine)
2. Irvine Appeal and Supporting Documentation
3. Connect SoCal - Map of HQTCS
4. Irvine - SPZs in HQTAs (SCAG Map)
5. Connect SoCal Transit Technical Report Appendix (including HQTC/HQTA definitions)
6. HCD Review of SCAG Draft RHNA Methodology (Jan 13, 2020)
7. Map of HQTAs in the City of Irvine (2045)
8. Comments Received during the Comment Period

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Irvine had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Irvine’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁶ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁷ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Irvine, the anticipated number of households in 2020 was 103,382 and in 2030 was 112,404 (growth of 9,022 households). In March 2018, SCAG staff and CDR staff met with

⁶ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁷ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff from the City of Irvine to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Irvine submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Irvine and incorporated them into the Growth Vision in December 2019. Based on these corrections, the City of Irvine's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d).)

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁸ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

⁸ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Irvine

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Irvine received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Irvine as summarized in the data and calculations in the tables below.

Irvine city statistics and inputs:

Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	7443
Percent of households who are renting:	52%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	19,055
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	17.45%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,754,000
Share of region's job accessibility (population weighted):	2.10%
Jurisdiction's HQTAs population (2045):	43,855
Share of region's HQTAs population (2045):	0.43%
Share of population in low/very low-resource tracts:	5.76%
Share of population in very high-resource tracts:	40.34%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Irvine city	
Forecasted household (HH) growth, RHNA period:	7443
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	247
Replacement Need	-
TOTAL PROJECTED NEED:	7690
Existing need due to job accessibility (50%)	8776
Existing need due to HQTAs pop. share (50%)	1794
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	5294
TOTAL EXISTING NEED	15864
TOTAL RHNA FOR IRVINE CITY	23554
Very-low income (<50% of AMI)	6379
Low income (50-80% of AMI)	4225
Moderate income (80-120% of AMI)	4299
Above moderate income (>120% of AMI)	8651

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 43,855 living within HQTAs, the City of Irvine represents 0.43% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.



Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Irvine’s median TAZ, it will be possible to reach 17.45% of the region’s jobs in 2045 within a 30-minute automobile commute (1,754,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 5,294 units assigned to the City of Irvine.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF LA MIRADA

Hearing Date: January 8, 2021

The City of La Mirada has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

Attachment: Determination Regarding Appeal from the City of La Mirada (Final Determination of Appeals Decisions)

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of La Mirada submits an appeal and requests a RHNA reduction of an unspecified number of units (of its draft allocation of 1,957 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA - the Final RHNA Methodology is unrealistic and inconsistent with their housing projection and requests an alternative methodology be adopted.
2. Sewer or water infrastructure constraints for additional development - existing infrastructure is unable to support the water and wastewater requirements for their RHNA allocation.
3. Availability of land suitable for urban development or for conversion to residential use - City is fully developed and unable to accommodate the RHNA allocation without elimination of other uses or infill development, which would be inconsistent with the City's General Plan and zoning densities.
4. Lands protected from urban development under existing federal or state programs - the only existing sources of open space in the city include the County owned parkland and recreation areas that are not under City control.
5. Housing needs generated by the presence of a university campus within a jurisdiction - housing at Biola University was not considered.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 8, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to

the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010821fullagn.pdf?1609455450>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

1. Regarding application of the RHNA methodology, an appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself, and alternative methodologies cannot be considered as a basis for an appeal. Additionally, no evidence of inconsistent household growth projections was provided.
2. Regarding sewer or water infrastructure constraints, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction in the RHNA allocation, and evidence from a utility service provider that would preclude the construction of new housing was not demonstrated.
3. Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
4. Regarding lands protected from urban development under existing federal or state programs, no evidence was provided that the jurisdiction cannot accommodate its RHNA allocation in alternate areas.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

5. Regarding housing needs generated by the presence of a university campus within a jurisdiction, no evidence was provided on how housing need is impacted by the university. The presence of a university alone is not a sufficient basis for a RHNA allocation reduction.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 8, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of La Mirada

RECOMMENDED ACTION:

Deny the appeal filed by City of La Mirada (City) to reduce the Draft RHNA Allocation for the City.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of La Mirada requests a reduction (without a specific number) of its RHNA allocation based on the following issues:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA - the Final RHNA Methodology is unrealistic and inconsistent with their housing projection and requests an alternative methodology be adopted.
2. Sewer or water infrastructure constraints for additional development - existing infrastructure is unable to support the water and wastewater requirements for their RHNA allocation.
3. Availability of land suitable for urban development or for conversion to residential use - City is fully developed and unable to accommodate the RHNA allocation without elimination of other uses or infill development, which would be inconsistent with the City's General Plan and zoning densities.
4. Lands protected from urban development under existing federal or state programs - the only existing sources of open space in the city include the County owned parkland and recreation areas that are not under City control.
5. Housing needs generated by the presence of a university campus within a jurisdiction - housing at Biola University was not considered.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of La Mirada (Final Determination of Appeals Decisions)

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of La Mirada's RHNA allocation. Based on Issue 1, an appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself, and alternative methodologies cannot be considered as a basis for an appeal. Additionally, no evidence of inconsistent household growth projections was provided. Based on Issue 2, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction in the RHNA allocation and evidence from a utility service provider that would preclude the construction of new housing was not demonstrated. Issue 3 was not demonstrated to be an impediment to meeting La Mirada's RHNA allocation since the City does not consider the possibility of alternate zoning, which is required to be considered. Based on Issues 4 and 5, no evidence was provided that the jurisdiction cannot accommodate its RHNA allocation in alternate areas or how housing need is impacted by the university.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA for the City of La Mirada: 1,957 units

Very Low Income: 633 units
Low Income: 341 units
Moderate Income: 319 units
Above Moderate Income: 664 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of La Mirada. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.

- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2020-2029).***

The City argues the Final RHNA methodology's use of a regionally-focused, shift-share model fails to consider the City's ability to develop almost 2,000 units during the RHNA period. The methodology also did not demonstrate a nexus between existing population and the housing projection for the City of La Mirada. Specifically, the City claims its population growth has been stable and even declining in recent years. The City requests the use of an alternative RHNA methodology that reflects real demographic trends.

SCAG Staff Response: As described above and in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally-reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another.

An appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction. Rather than explaining how SCAG failed to properly apply the methodology, the City simply questions the approach of the Final RHNA Methodology and suggests the use of an alternate methodology.

The City also asserts that SCAG has failed to demonstrate or provide a nexus between a realistic population and housing projection for the City and the RHNA given that the City's population growth has been relatively stable or has actually declined. Per Government Code Section 65584.04(g)(3), SCAG cannot consider stable population numbers in a jurisdiction from previous RHNA cycles as either a reduction or determination of its RHNA allocation. SCAG's Growth Forecast

is used as a basis to determine population, household, and employment growth at the regional and jurisdictional levels, and is used for the basis of Connect SoCal as well. The Growth Forecast was developed over the course of approximately two years, using a panel of experts and review from partners and local jurisdictions, which was also known as “local input.” No evidence or concerns regarding long term population loss were raised by the City during the opportunities to provide local input on household growth in the Growth Forecast. See Attachment 1, “Local Input and Development of Draft RHNA Allocation” which summarizes the extent of local engagement and review opportunities provided to local jurisdictions on the household growth forecast. Review opportunities began in October 2017. While the initial deadline for input was October 2018, additional review opportunities were provided to all local jurisdictions through June 2020.

However, forecasted growth comprises only one part of SCAG’s adopted 6th cycle RHNA methodology. The policy direction of SCAG’s Regional Council was to include “existing need” in addition to using growth forecast data to allocate RHNA. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. In contrast, the Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given, among other factors, the availability of zoned capacity. 1502 units, or 77% of La Mirada’s draft RHNA allocation, come from existing need measures, namely transit accessibility and job accessibility. Specifically, as indicated in Attachment 1, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on job accessibility. From the City of La Mirada’s median TAZ, it will be possible to reach 17.05% of the region’s jobs in 2045 within a 30-minute automobile commute (1,713,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs), as shown in the Map of Job Accessibility in the City of La Mirada, attached. Thus, La Mirada is thus encouraged to look at which opportunities might exist to accommodate more housing given these regional existing need factors. The RHNA methodology itself cannot be changed through the appeals process and as such staff cannot recommend a reduction on this basis.

Issue 2: Sewer and water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].

The City argues existing infrastructure is unable to support the water and wastewater requirements. To accommodate the new infill development for the 6th RHNA Cycle, most of the City's neighborhoods would require major water and sewer upgrades. The City is unsure how this new infrastructure would be financed.

SCAG Staff Response: Government Code Section 65584(e)(2)(A) indicates that, to the extent sufficient data is available, the following opportunities/constraints should be considered in developing the RHNA methodology:

“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.”

For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water constraints mentioned by the jurisdiction, it is not evident that the respective water provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. Costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units. For this reason, SCAG staff does not recommend a housing need reduction based upon this planning factor.

Issue 3: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City argues La Mirada is fully developed with mostly residential uses. Adding more residential development would require elimination of commercial and industrial uses that provide jobs and revenue for the City or infill development that would be inconsistent with the City's zoning densities and require removal of existing housing. At the highest permitted development density, the City calculates a total of 70 acres would be required to meet the RHNA allocation. Therefore, the land area required to accommodate the RHNA allocation far exceeds the City's current available land supply of either vacant or underutilized land. The City maintains RHNA allocations must be consistent with the City's General Plan buildout and requests SCAG review General Plan Land Use maps to ascertain the City's carrying capacity and identify where new housing units would be placed as it has done past RHNA cycles.

SCAG Staff Response: Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th Cycle RHNA. Specifically, Government Code 65584.01(b) et seq. explicitly added measures of household overcrowding and housing cost burden to the list of factors to be considered by the California Department of Housing and Community Development (HCD) for the determination of housing need, captured in the adopted Final RHNA Methodology as “existing need”. Thus, the 6th Cycle RHNA regional housing need total of 1,341,827, as determined by HCD, consists of both “projected need,” which is intended to accommodate the growth of population and households during the 6th Cycle RHNA (2021-2029), as well as “existing need”.

Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(b), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need. Ultimately, it is the jurisdiction’s responsibility to update their General Plan (including Housing Element) to accommodate for both existing and projected housing need. For this reason, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

Issue 4: Lands protected from urban development under existing federal or state programs [Section 65584.04(e)(2)(C)].

The City argues the only existing sources of open space in the city include the County owned parkland and recreation areas that are not under the land use control of the City of La Mirada.

SCAG Staff Response: An appeal citing protected lands as its basis must provide evidence that its lands are protected by federal and state programs. While the jurisdiction has indicated it cannot accommodate units in County-owned areas, no evidence has been provided that the jurisdiction cannot accommodate its RHNA allocation in other areas. The presence of protected open space alone does not reduce housing need, nor does it preclude a jurisdiction from accommodating its

housing need elsewhere. For the reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

Issue 5: Housing needs generated by the presence of a university campus within a jurisdiction [Section 65584.04(e)(9)].

The City argues housing characteristics unique to the City, such as student housing at Biola University, were not considered in the formulation of the City's RHNA allocation.

SCAG Staff Response: SCAG considered the housing need generated by universities at a regional level as part of the adopted Final RHNA Methodology. However, the presence of a university alone is not a sufficient basis for a RHNA allocation reduction, the City needs to demonstrate how the jurisdiction's housing need is impacted with the presence of the university. The jurisdiction provides no basis to support a reduction in their draft RHNA Allocation. For this reason, SCAG staff does not recommend a reduction in the jurisdiction's Draft RHNA Allocation based on this planning factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of La Mirada)
2. Appeal Form and Supporting Documentation (City of La Mirada)
3. City of La Mirada 2013-2021 Housing Element
4. Map of Job Accessibility in the City of La Mirada
5. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of La Mirada had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of La Mirada's Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.¹ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.² While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of La Mirada, the anticipated number of households in 2020 was 14,985 and in 2030 was 15,525 (growth of 540 households). In May 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input was not received. The preliminary figures above were used by SCAG.

¹ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

² A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of La Mirada submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of La Mirada from which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on

November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.³ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

³ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and does not affect a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of La Mirada

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of La Mirada received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of La Mirada as summarized in the data and calculations in the tables below.

La Mirada city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	446
Percent of households who are renting:	22%
Housing unit loss from demolition (2009-18):	1
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,265
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	17.05%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,713,000
Share of region's job accessibility (population weighted):	0.33%
Jurisdiction's HQTAs population (2045):	-
Share of region's HQTAs population (2045):	0.00%
Share of population in low/very low-resource tracts:	0.07%
Share of population in very high-resource tracts:	19.38%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for La Mirada city	
Forecasted household (HH) growth, RHNA period:	446
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	10
Replacement Need	1
TOTAL PROJECTED NEED:	457
Existing need due to job accessibility (50%)	1372
Existing need due to HQTAs pop. share (50%)	0
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	130
TOTAL EXISTING NEED	1502
TOTAL RHNA FOR LA MIRADA CITY	1957
Very-low income (<50% of AMI)	633
Low income (50-80% of AMI)	341
Moderate income (80-120% of AMI)	319
Above moderate income (>120% of AMI)	664

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas

and population forecasts. With no forecasted population living within HQTAs in 2045, the City of La Mirada represents zero percent of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of La Mirada's median TAZ, it will be possible to reach 17.05% of the region's jobs in 2045 within a 30-minute automobile commute (1,713,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 130 units assigned to the City of La Mirada.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF LA PALMA

Hearing Date: January 19, 2021

The City of La Palma has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscscag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of La Palma submits an appeal and requests a RHNA reduction of 400 units (of its draft allocation of 800 units). The grounds for appeal are as follows:

- 1) Existing or projected jobs-housing balance - the combination of institutional/educational and utility uses limits opportunities for the City to balance zoning for jobs/housing and create local employment and open space for residents.
- 2) Availability of land suitable for urban development or for conversion to residential use - the City is completely developed and any attempts to rezone for high density residential use will challenge the fiscal stability of the City.

Other: The City indicates it has no high-quality transit areas (HQTAs) at present.

A. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 19, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna->

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

[abph011921fullagn.pdf?1610770557](https://scag.ca.gov/rhna-abph011921fullagn.pdf?1610770557)). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding jobs-housing imbalance, the job accessibility factor is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. This is not a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction's residents.
- 2) Regarding lack of availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need. Furthermore, costs to develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units.

Other: Regarding HQTAs, while the City does not currently have an HQTA, the adopted Final RHNA Methodology addresses HQTAs in 2045; the map of HQTAs in 2045 shows that the southernmost tip of La Palma is within an HQTA and therefore a small number of units (33) is appropriately allocated to La Palma on this basis.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 19, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of La Palma

RECOMMENDED ACTION:

Deny the appeal filed by the City of La Palma to reduce its Draft RHNA Allocation by 400 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of La Palma requests a reduction of its RHNA Allocation by 400 units (from 800 units to 400 units) based the following issues:

- 1) Existing or projected jobs-housing balance
- 2) Availability of land suitable for urban development or for conversion to residential use

Other: The City indicates it has no high-quality transit areas at present.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of La Palma's RHNA Allocation. The City's arguments regarding their jobs-housing imbalance and lack of availability of suitable land were not demonstrated to be an impediment to meeting La Palma's RHNA Allocation since the City does not consider the possibility of allowing housing on other non-vacant land in the City. Regarding HQTAs, while the City does not currently have an HQTAs, the adopted Final RHNA Methodology addresses HQTAs in 2045; the map of HQTAs in 2045 shows that the southernmost tip of La Palma is within an HQTAs and therefore a small number of units (33) is appropriately allocated to La Palma on this basis.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of La Palma (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of La Palma: 800 units
 Very Low Income: 223 units
 Low Income: 140 units
 Moderate Income: 137 units
 Above Moderate Income: 300 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of La Palma. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Existing or projected jobs-housing balance [Govt. Code § 65584.04(e)(1)].

The combination of institutional/educational and utility uses limits opportunities for the City to balance zoning for jobs/housing and create local employment and open space for residents.

SCAG Staff Response: The adopted RHNA Methodology includes a calculation of job accessibility as one of the factors to determine a jurisdiction’s Draft RHNA Allocation. Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute (additional details are found in the adopted RHNA methodology). This is **not** a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction’s residents, which can include jobs outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which calls for an approach to the region’s job housing relationship through the measurement of access rather than number of jobs within a certain jurisdiction. Limiting a jobs housing balance solely within jurisdictions can effectively worsen a regional jobs housing balance and thus SCAG staff does not recommend a reduction to the jurisdiction’s Draft RHNA Allocation based on this factor.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Govt. Code § 65584.04(e)(2)(B)].

The City of La Palma claims the City is completely developed and any attempts to rezone for high density residential use will challenge the fiscal stability of the City, require the City to provide additional residential services without adequate revenue and jeopardize existing parkland and open space facilities. The City indicates that it is built-out and has not had a new housing tract built in over 20 years, but that residents are taking advantage of Accessory Dwelling Unit (ADU) opportunities, but the City is uncertain how ADUs can be applied to their RHNA Allocation.

The City indicates that 118.78 acres or 13.2% of total land within the City is comprised of institutional/educational land uses and 60 acres or 6.7% of land within the City is dedicated to Flood Control Channel/Utility zoning. Furthermore, the City of La Palma indicates that nearly all the land suitable for residential redevelopment is within a Federally designated flood hazard zone.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can and must consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to allocate RHNA need. Per the adopted RHNA Methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

While the City asserts that it is built out and has no land available for development, it does not provide evidence that it is unable to consider underutilization of these sites, increased densities, and other planning tools to accommodate its assigned need. Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.¹ A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs).² Specifically, the guidelines indicate that (page 32):

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

Furthermore, costs to develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units.

With respect to the lands in a Federally designated flood zone, per Government Code 65584.04(e)(2)(B), “the determination of land available 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.” While SCAG staff does not dispute that

¹ See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf.

² See also, Accessory Dwelling Unit Handbook, HCD, September 2020, at p. 18 (“Pursuant to Gov. Code § 65852.2 subd. (m) and Government Code section 65583.1, ADUs and JADUs may be utilized towards the Regional Housing Need Allocation (RHNA) and Annual Progress Report (APR) pursuant to Government Code Section 65400.”) at <https://www.hcd.ca.gov/policy-research/docs/adu-ta-handbook-final.pdf>.

there may be areas at risk of flooding in the jurisdiction, the jurisdiction has not provided evidence that an agency or organization such as FEMA has determined that flood management infrastructure is inadequate to avoid flood risk in these areas and that the City is completely prohibited by FEMA's decision from accommodating housing need in these areas.

It is presumed that planning factors such as institutional uses and flood hazard zones have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that these areas have changed since the most current input provided in during the RHNA Methodology planning factor survey conducted in Spring 2019.

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's Draft RHNA Allocation.

Other: HQTAs.

The City of La Palma notes that it has no major transit stops, no high-quality transit corridors and no transit priority areas within the city boundaries.

SCAG Staff Response: The adopted Final RHNA Methodology includes a component that calculates need based on a jurisdiction's population within high-quality transit areas (HQTAs) in 2045 in Connect SoCal, SCAG's 2045 RTP/SCS. While the City does not currently have an HQTAs, the adopted Final RHNA Methodology addresses HQTAs in 2045; the map of HQTAs in 2045 (see attached map) shows that the southernmost tip of La Palma is within an HQTAs and therefore a small number of units (33) is appropriately allocated to La Palma on this basis. Specifically, OCTA proposes a La Palma/Lincoln Rapid Bus via OCTA Transit Vision with morning and evening headways of 10 minutes. The line is estimated for completion in 2026.

For planning and SCS purposes, SCAG identifies a "high quality transit area" as generally a walkable transit village or corridor that is within one-half mile of a major transit stop or High-Quality Transit Corridor (HQTAs) as defined in Government Code 21155(b) and 21064.3 excluding freeway transit corridors with no bus stops on the freeway alignment. SCAG's technical methodology for identifying HQTAs and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor's Office of Planning and Research.

Planned HQTAs and major transit stops are future improvements that are expected to be implemented by transit agencies by the RTP/SCS horizon year of 2045. These are assumed by definition to meet the statutory requirements of an HQTAs or major transit stop. SCAG updates its inventory of planned major transit stops and HQTAs with the adoption of a new RTP/SCS, once

every four years. However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS is updated by SCAG and as such it is understood that planned transit projects are subject to further project-specific evaluation, but that is the nature of the long-range planning process.

While there is an inherent chance that transit agencies may change future plans, ultimately SCAG's adopted Final RHNA Methodology uses this definition of 2045 HQTAs in order to better align future housing with anticipated future transit rather than focusing on only what exists today. For this reason, SCAG staff does not recommend a decrease on the City's RHNA Allocation based on this factor.

The attached map shows the 2045 HQTAs boundaries for the City of La Palma which were used in Connect SoCal.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of La Palma)
2. Appeal Form and Supporting Documentation (City of La Palma)
3. Comments Received During the Comment Period (General)
4. Map of Job Accessibility near the City of La Palma (2045)
5. Map of HQTAs in the City of La Palma (2045)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of La Palma had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of La Palma’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of La Palma, the anticipated number of households in 2020 was 5,108 and in 2030 was 5,115 (growth of 7 households). In March 2018, SCAG staff and CDR staff met with staff

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

from the City of La Palma to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of La Palma submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve Southern California's GHG reduction targets, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of La Palma and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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. (Govt. Code § 65584(d).)*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology, which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need", which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of La Palma

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of La Palma received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of La Palma as summarized in the data and calculations in the tables below.

La Palma city statistics and inputs:		Calculation of Draft RHNA Allocation for La Palma city	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	6	Forecasted household (HH) growth, RHNA period:	6
Percent of households who are renting:	32%	Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	0
Housing unit loss from demolition (2009-18):	-	Replacement Need	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	22	TOTAL PROJECTED NEED:	6
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	20.09%	Existing need due to job accessibility (50%)	496
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10,049M jobs)</i>	2,019,000	Existing need due to HQTAs pop. share (50%)	33
Share of region's job accessibility (population weighted):	0.12%	Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	265
Jurisdiction's HQTAs population (2045):	799	TOTAL EXISTING NEED	794
Share of region's HQTAs population (2045):	0.01%	TOTAL RHNA FOR LA PALMA CITY	800
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI)	223
Share of population in very high-resource tracts:	0.11%	Low income (50-80% of AMI)	140
Social equity adjustment:	150%	Moderate income (80-120% of AMI)	137
		Above moderate income (>120% of AMI)	300

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 799 living within HQTAs, the City of La Palma represents 0.01% of the SCAG region's HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on job accessibility. From the City of La Palma’s median TAZ, it will be possible to reach 20.09% of the region’s jobs in 2045 within a 30-minute automobile commute (2,019,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as “residual need”, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 265 units assigned to the City of La Palma.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF LAGUNA BEACH

Hearing Date: January 22, 2021

The City of Laguna Beach has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City’s Appeal

The City of Laguna Beach submits an appeal and requests a RHNA reduction of 278 units (of its draft allocation of 393 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) – the City requests reassessment of the existing housing needs for “certain disadvantaged communities” since “they have the capacity and need to absorb units that were redistributed to other cities as net residual factor.”
2. Availability of land suitable for urban development or for conversion to residential use – the City has lands constraints such as steep hillside terrain, narrow vehicle/emergency access roads, fire hazard designations, and limitations to development based on dedicated open space land protected by federal and State programs.
3. Lands protected from urban development under existing federal or state programs – the City has limitations to development based on significant dedicated open space land that is protected by federal and State programs.
4. High housing cost burdens - high land values make the construction of affordable housing less feasible than in other jurisdictions. Moreover, topographical and geographical conditions, along with additional fire protection costs, contributes to the high cost of construction.
5. Changed circumstances - since the RHNA allocation was initially established, there is evidence of an increased risk of wildfire due to climate change.

A. Appeal Board Hearing and Review

The City’s appeal was heard by the RHNA Appeals Board on January 22, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City’s appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City’s bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing

comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City’s staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph012221fullagn.pdf?1610771065>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board’s Decision

Based upon SCAG’s adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

1. Regarding application of the adopted Final RHNA Methodology, no evidence was provided to support an incorrect application of the adopted RHNA methodology and while the City requests it, SCAG cannot use the 5th RHNA cycle methodology for the current cycle.
2. Regarding availability of land, the City does not provide evidence that it cannot accommodate housing in other unconstrained areas using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
3. Regarding lands protected from urban development under existing federal or state programs, the City has not provided evidence that there is insufficient land to accommodate its RHNA allocation.
4. Regarding high housing cost burdens, construction costs cannot be considered by SCAG as a justification for a reduction since the purpose of a RHNA allocation is to ensure that there is adequate zoning to accommodate housing need.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

5. Regarding change in circumstance - impacts as a result of increased risk of wildfire - the City provides no evidence that this is an unforeseen change that would significantly change the recent survey input.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 22, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Laguna Beach

RECOMMENDED ACTION:

Deny the appeal filed by the City of Laguna Beach to reduce the draft RHNA allocation for the City of Laguna Beach by 278 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Laguna Beach requests a reduction of its RHNA allocation for 278 units (from 393 units to 115 units) based on the following issues:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
2. Availability of land suitable for urban development or for conversion to residential use
3. Lands protected from urban development under existing federal or state programs
4. High housing cost burdens
5. Changed circumstances

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Laguna Beach's RHNA allocation. Regarding issue 1, no evidence was provided to support an incorrect application of the adopted RHNA methodology and while the City requests it, SCAG cannot use the 5th RHNA cycle methodology for the current cycle. Regarding Issue 2, the availability of land was not demonstrated to be an impediment to meeting the City's RHNA allocation since it does not provide evidence that it cannot accommodate housing on other areas in the jurisdiction. Regarding Issue 3, the City has not provided evidence that there is insufficient land to accommodate its RHNA allocation. In regard

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Laguna Beach (Final Determination of Appeals Decisions)

to Issue 5, change in circumstance impacts as a result of increased risk of wildfire, the City provides no evidence that this is an unforeseen change that would significantly change the recent survey input.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Laguna Beach: 393 units
 Very Low Income: 117 units
 Low Income: 80 units
 Moderate Income: 79 units
 Above Moderate Income: 117 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Laguna Beach. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].***

The City indicates that it is appealing its draft RHNA allocation based on their assertion that “certain cities with disadvantaged communities in the SCAG region have underreported their existing housing needs as established in their general plans.” The City argues that this has led to a lower RHNA allocation for those cities while disproportionately increasing the RHNA allocation for other cities. They assert that there is a need for reassessment of the existing housing needs for “certain disadvantaged communities” since “they have the capacity and need to absorb units that were redistributed to other cities as net residual factor.”

Additionally, the City argues that HCD overestimated the regional determination given to SCAG and refer to a report published by Freddie Mac. Based on this overestimation, the City argues that a reduction of 153 units should be granted.

SCAG Staff Response: As described above and in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally-reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives¹ in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another. The basis for an appeal for this factor is the *application* of the RHNA methodology and not the RHNA methodology itself, which was a separate but extensive process that involved multiple steps and public involvement leading up to final adoption. Once adopted, the RHNA methodology was applied consistently to all SCAG jurisdictions and no evidence has been provided that there was an exception to determine the draft RHNA allocation for the City of Laguna Beach.

¹ The objectives are: 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. (Govt. Code § 65584(d).)

With respect to the HCD's regional determination, SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The City suggests that HCD overestimated this regional determination based on a recent report by Freddie Mac. In February 2020 national home lending agency Freddie Mac's Economic & Housing Research group prepared a national analysis of housing supply shortages titled "The Housing Supply Shortage: State of the States" (the Freddie Mac report). This information cannot now be considered for adjusting HCD's regional housing needs determination. Furthermore, the RHNA Appeals Board has no authority to change the regional determination. The RHNA statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

The defined timeframes are guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This "determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

Without assessing the merits of the report, because the Freddie Mac report was not available during at the time HCD was determining regional housing need, it could not be considered then; and it cannot be considered now that the regional housing need has been determined. Furthermore, the Freddie Mac report is regional in nature and does not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was applied incorrectly to determine the jurisdiction's share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

It would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation.

For these reasons, SCAG staff does not recommend a reduction to the City's draft RHNA allocation based on the application of the adopted RHNA methodology.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City of Laguna Beach indicates in its appeal that it has a number of planning constraints that would impact its ability to accommodate its draft RHNA allocation. The constraints listed include steep hillside terrain, narrow vehicle/emergency access roads, fire hazard designations for most of the City, and limitations to development based on dedicated open space land protected by federal and State programs. It also indicates that many of the City's vacant parcels cannot be provided safe access. The appeal argues that only half of the City's land area is buildable, "most of which is already developed."

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "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" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use," as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of "available" land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

"In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land." (HCD Letter at p. 2).

Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.² A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs).³ Specifically, the guidelines indicate that (page 32):

"In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance."

² See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

³ See also Accessory Dwelling Unit Handbook, HCD, September 2020 at <https://www.hcd.ca.gov/policy-research/docs/adu-ta-handbook-final.pdf>

As such, the City can and must consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

While the City indicates that only half of its land is buildable, it does not provide evidence that it is unable to consider underutilization of these buildable sites, increased densities, and other planning tools to accommodate its assigned need. Again, SCAG is prohibited from limiting the consideration of suitable sites due to the City's land use restrictions and is required to review alternative methods to meet housing need, neither of which is provided in the appeal application. For this reason, SCAG staff does not recommend a reduction to the City of Laguna Beach's draft RHNA allocation based on this factor.

Issue 3: Lands Protected from Urban Development under Existing Federal or State Programs
[Government Code Section 65584.04(2)(C).

In its appeal, the City indicates that it has limitations to development based on significant dedicated open space land that is protected by federal and State programs. No documentation or other evidence is provided to support this assertion.

SCAG Staff Response: It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was provided in the City's appeal that the status of these areas has changed since the most recent local input was provided in October 2018.

In addition, while the City has indicated that it is unable to accommodate residential development in these specific areas, no evidence has been provided to demonstrate that Laguna Beach is not able to accommodate its RHNA allocation in other areas or through the use of other land use strategies or policies. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere.

While SCAG staff acknowledges that the City has dedicated open space land that is protected by federal and State programs, it is unclear how the presence of these protected lands precludes the City from accommodating its housing need. To preserve its dedicated open space, SCAG encourages the jurisdiction to consider available land, increased densities, and other alternative zoning tools in non-open space areas to accommodate its RHNA allocation (see also Response to Issue 2 above). For these reasons, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

Issue 4: High Housing Cost Burdens [Government Code 65584.04].

The City states in its appeal that its high land values make the construction of affordable housing less feasible than in other jurisdictions. Moreover, it argues its topographical and geographical conditions, along with additional fire protection costs, contributes to the high cost of construction.

SCAG staff response:

Construction costs cannot be considered by SCAG as a justification for a reduction since the purpose of a RHNA allocation is to ensure that there is adequate zoning to accommodate housing need. This full text of this section: “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” refers to the proportion of renter households who are considered cost-burdened for housing. It does not refer to the cost of construction. For this reason, SCAG staff does not recommend a reduction to the City’s draft RHNA allocation based on this factor.

Issue 5: Changed Circumstances [Government Code 65584.05(b)]

The City indicates in its appeal that since the RHNA allocation was initially established, there is evidence of an increased risk of wildfire due to climate change. It argues that this increased risk is a change in circumstance that warrants a reduction to its draft RHNA allocation.

SCAG Staff Response: State law requires that a change in circumstance be significant and unforeseen and that it would merit a change to local planning factors and conditions since jurisdictions were last surveyed on these factors (approximately Spring 2019). Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

In its appeal, while the City asserts it has fire hazards, it does not provide evidence that this is an unforeseen circumstance. In fact, as part of its submitted appeal evidence the City includes an impaired road access map from its Safety Element of its General Plan, which was adopted in 1995. The City’s published Safety Element has extensive information regarding fire threats and hazards in certain areas of the City, including 257 instances of the word “fire.” Because this factor would not appear to be unforeseen and no evidence has been provided that it is significant enough to change recent survey input from the City, a reduction to the City’s draft RHNA allocation is not recommended.



FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Laguna Beach)
2. Appeal Form and Supporting Documentation (City of Laguna Beach)
3. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Laguna Beach had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Laguna Beach's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁴ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁵ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Laguna Beach, the anticipated number of households in 2020 was 10,949 and in 2030 was 10,970 (growth of 21 households). In March 2018, SCAG staff and CDR staff met

⁴ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁵ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

with staff from the City of Laguna Beach to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Laguna Beach submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Laguna Beach and incorporated them into the Growth Vision in December 2019. The City of Laguna Beach's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁶ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

⁶ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Laguna Beach

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Laguna Beach received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Laguna Beach as summarized in the data and calculations in the tables below.

Laguna Beach city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	17
Percent of households who are renting:	38%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	55
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	6.92%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	695,000
Share of region's job accessibility (population weighted):	0.06%
Jurisdiction's HQTAs population (2045):	-
Share of region's HQTAs population (2045):	0.00%
Share of population in low/very low-resource tracts:	0.00%
Share of population in very high-resource tracts:	87.16%
Social equity adjustment:	170%

Calculation of Draft RHNA Allocation for Laguna Beach city	
Forecasted household (HH) growth, RHNA period:	17
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	0
Replacement Need	-
TOTAL PROJECTED NEED:	18
Existing need due to job accessibility (50%)	250
Existing need due to HQTAs pop. share (50%)	0
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	125
TOTAL EXISTING NEED	375
TOTAL RHNA FOR LAGUNA BEACH CITY	393
Very-low income (<50% of AMI)	117
Low income (50-80% of AMI)	80
Moderate income (80-120% of AMI)	79
Above moderate income (>120% of AMI)	117

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 0 living within HQTAs, the City of Laguna Beach represents none of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Laguna Beach’s median TAZ, it will be possible to reach 6.92% of the region’s jobs in 2045 within a 30-minute automobile commute (695,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 125 units assigned to the City of Laguna Beach.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF LAGUNA HILLS

Hearing Date: January 19, 2021

The City of Laguna Hills has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Laguna Hills submits an appeal and requests a RHNA reduction of 365 units (of its draft allocation of 1,980 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) - location of HQTAs and redistribution of residual need.*

* While the City mentions achieving regional GHG targets and jobs housing balance in their cover letter, these issues are not checked on the City's appeal request form and are not separately discussed.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 19, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011921fullagn.pdf?1610770557>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the public hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) The Final RHNA Methodology was consistently applied including to the City of Laguna Hills and challenges to the adopted Final methodology itself are not the basis for an appeal; only the application of the methodology may be appealed. Furthermore, the location and population of HQTAs were correctly identified pursuant to the adopted Final RHNA Methodology.

During the appeals hearing, the Appeals Board requested additional information regarding the definition of HQTAs and HQTCS in Orange County. One Board member read aloud an email correspondence received from the Orange County Transit Authority (OCTA) indicating that OCTA was not aware that the information it submitted for the Connect SoCal Plan would be used for RHNA purposes.

SCAG staff verbally explained that the adopted Final RHNA Methodology is based on 2045 HQTAs and HQTCS adopted as part of the Connect SoCal Plan. Connect SoCal defines high quality transit areas (HQTAs) as "corridor-focused Priority Growth Areas within one half mile of an existing or planned fixed guideway transit stop or a bus transit corridor where buses pick up passengers at a frequency of every 15 minutes (or less) during peak commuting hours." SCAG relies on the applicable County Transportation Agency to identify these high quality transit locations. In Orange County, OCTA was responsible for providing this data to SCAG. OCTA has not rescinded or amended their OC Transit Vision, in which the transit stops in question were included, or their 2018 Long Range Transportation Plan (LRTP).

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 19, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft Allocation for the City of Laguna Hills

RECOMMENDED ACTION:

Deny the appeal filed by the City of Laguna Hills to reduce the Draft RHNA Allocation for the City of Laguna Hills by 365 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Laguna Hills requests a reduction of its RHNA Allocation by 365 units (from 1,980 units to 1,615 units) based on the following:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) based on location of HQTAs and redistribution of residual need.*

* While the City mentions achieving regional GHG targets and jobs housing balance in their cover letter, these issues are not checked on the City's appeal request form and are not separately discussed.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Laguna Hills' RHNA Allocation. The Final RHNA Methodology was consistently applied including to the City of Laguna Hills and challenge to the adopted Final methodology itself is not the basis for an appeal.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Laguna Hills (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Laguna Hills: 1,980 units

Very Low Income:	566 units
Low Income:	353 units
Moderate Income:	353 units
Above Moderate Income:	708 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Laguna Hills. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

The City of Laguna Hills indicates that the Bus Rapid Transit Route project, which would create an HQT, has not been approved, has not been funded, and possibly may not be approved or constructed. Orange County Transit Agency (OCTA) is currently examining five different concepts/route configuration and only two of these concepts include the Laguna Hills portion of the 5. The City should not receive additional RHNA units based on potential transit projects.

The City of Laguna Hills believes the redistribution of nearly 24,000 residual housing units from the City of Santa Ana to non-disadvantaged community (DAC) communities throughout Orange County, including Laguna Hills, conflicts with two of the five RHNA objectives specified in Government Code Section 65584.04(a).

SCAG Staff Response: SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs assessment. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

With respect to the statutory objectives¹, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another.

¹ The objectives are: 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 (Govt. Code § 65584(d)).

HQTAs

The adopted Final RHNA Methodology includes a component that calculates need based on a jurisdiction's population within high-quality transit areas (HQTA) in 2045 in Connect SoCal, SCAG's 2045 RTP/SCS.

For planning and SCS purposes, SCAG identifies a "high quality transit area" as generally a walkable transit village or corridor that is within one-half mile of a major transit stop or High-Quality Transit Corridor (HQTC) as defined in Government Code 21155(b) and 21064.3 excluding freeway transit corridors with no bus stops on the freeway alignment. SCAG's technical methodology for identifying HQTCs and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor's Office of Planning and Research.

Planned HQTCs and major transit stops are future improvements that are expected to be implemented by transit agencies by the RTP/SCS horizon year of 2045. These are assumed by definition to meet the statutory requirements of an HQTC or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCs with the adoption of a new RTP/SCS, once every four years. However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS is updated by SCAG and as such it is understood that planned transit projects are subject to further project-specific evaluation, but that is the nature of the long-range planning process.

The attached map shows the 2045 HQTA boundaries for the City of Laguna Hills which were used in Connect SoCal. For the City of Laguna Hills, OCTA proposes a I-5 bus rapid transit (BRT) via OCTA Transit Vision, which has both morning and evening headways of 15 minutes. The estimated completion year of the project is 2027. While freeway segments are not included in the analysis of QTAs, local arterials to and from the stops are included within HQTA.

While there is an inherent chance that transit agencies may change future plans, ultimately SCAG's adopted Final RHNA Methodology uses this definition of 2045 QTAs in order to better align future housing with anticipated future transit rather than focusing on only what exists today. For this reason, SCAG staff does not recommend a decrease on the City's RHNA Allocation based on identification of QTAs and application of the adopted FINAL RHNA Methodology.

Residual Need

In pursuing the RHNA objectives, the adopted RHNA Methodology identifies jurisdictions that are "disadvantaged" (DACs). The City of Laguna Hills is not a DAC. In the methodology, DACs where the

calculated projected and existing need is higher than the jurisdiction's household growth between 2020 and 2045 are considered as having "residual" existing need. Residual need was subtracted from jurisdictional need in these cases so that the maximum a DAC jurisdiction would receive for existing need is equivalent to its 2020 to 2045 household growth. Residual existing need was tabulated by county and then redistributed within the same county to non-DAC jurisdictions. The purpose of this was to further two of the five objectives of State housing law, avoiding an overconcentration of lower income households where they are already located and affirmatively further fair housing.

The jurisdiction has not provided evidence that there was a data error or that the residual need assigned to the City was incorrectly calculated and thus cannot appeal under this basis. For this reason, SCAG staff does not recommend approval of this appeal based on distribution of residual need and application of the adopted Final RHNA Methodology.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Laguna Hills)
2. Appeal Form and Supporting Documentation (City of Laguna Hills)
3. Comments Received During the Comment Period (General)
4. 2045 HQTALaguna Hills

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Laguna Hills had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Laguna Hills' Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Laguna Hills, the anticipated number of households in 2020 was 10,666 and in 2030 was 11,669 (growth of 1,003 households). In March 2018, SCAG staff and CDR staff met

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

with staff from the City of Laguna Hills to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Laguna Hills submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Laguna Hills and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Laguna Hills

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Laguna Hills received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocation for the City of Laguna Hills as summarized in the data and calculations in the tables below.

Laguna Hills city statistics and inputs:		Calculation of Draft RHNA Allocation for Laguna Hills city	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	827	Forecasted household (HH) growth, RHNA period:	827
Percent of households who are renting:	29%	Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	21
Housing unit loss from demolition (2009-18):	-	Replacement Need	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,077	TOTAL PROJECTED NEED:	848
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	11.06%	Existing need due to job accessibility (50%)	577
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,111,000	Existing need due to HQTAs pop. share (50%)	177
Share of region's job accessibility (population weighted):	0.14%	Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	378
Jurisdiction's HQTAs population (2045):	4,322	TOTAL EXISTING NEED	1132
Share of region's HQTAs population (2045):	0.04%	TOTAL RHNA FOR LAGUNA HILLS CITY	1980
Share of population in low/very low-resource tracts:	6.36%	Very-low income (<50% of AMI)	566
Share of population in very high-resource tracts:	0.24%	Low income (50-80% of AMI)	353
Social equity adjustment:	150%	Moderate income (80-120% of AMI)	353
		Above moderate income (>120% of AMI)	708

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 4,322 living within HQTAs, the City of Laguna Hills represents 0.14% of the SCAG region's HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Laguna Hills's median TAZ, it will be possible to reach 11.06% of the region's jobs in 2045 within a 30-minute automobile commute (1,111,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 378 units assigned to the City of Laguna Hills.

Please note that the above represents only a partial description of key data and calculations which result in the Draft RHNA Allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF LAKEWOOD

Hearing Date: January 8, 2021

The City of Lakewood has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Lakewood submits an appeal and requests a RHNA reduction of 1,414 units (of its draft allocation of 3,914 units). The grounds for appeal are as follows:

1. Availability of land suitable for urban development or for conversion to residential use - the City is already densely populated and build-out and their allocation would have an adverse impact on the City's employment and public services.
2. Changed circumstances - COVID-19 transmission and requests SCAG object to the regional determination due to the changed circumstances brought about by the pandemic.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 8, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010821fullagn.pdf?1609455450>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

1. Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
2. Regarding changed circumstances due to COVID-19, it was not demonstrated that increased density would result in public health concerns related to COVID-19. Furthermore, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Additionally, the regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make changes.

II. [Conclusion](#)

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 8, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Lakewood

RECOMMENDED ACTION:

Deny the appeal filed by the City of Lakewood (City) to reduce the Draft RHNA Allocation for the City by 1,414 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Lakewood requests a reduction of its RHNA allocation by 1,414 units (from 3,914 units to 2,500 units) based on the following issues:

1. Availability of land suitable for urban development or for conversion to residential use - the City is already densely populated and build-out and their allocation would have an adverse impact on the City's employment and public services.
2. Changed circumstances - COVID-19 transmission and requests SCAG object to the regional determination due to the changed circumstances brought about by the pandemic.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Lakewood's RHNA allocation. Issue 1 was not demonstrated to be an impediment to meeting Lakewood's RHNA allocation since it does not consider the possibility of allowing housing on other non-vacant land in the city. Based on Issue 2, it was not demonstrated that increased density would result in public health concerns related to COVID-19. Additionally, the regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make changes.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Lakewood (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Lakewood: 3,914 units

- Very Low Income: 1,293 units
- Low Income: 636 units
- Moderate Income: 652 units
- Above Moderate Income: 1,333 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Lakewood. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City argues Lakewood is a densely populated, build-out residential community. Of the few available lots identified in the City's Housing Element, many are being developed for housing or are close to Long Beach Airport, which imposes restrictions on residential use. The proposed allocation of units would force the City to designate the already small percentage of non-residential land uses (7.67%) to future residential development, which would negatively impact employment in the City. Additionally, Lakewood's population density is greater than both the City and County of Los Angeles, which leaves a high burden on its infrastructure and roads, open space, schools, and other services.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). ‘Available land suitable for urban development or conversion to residential use,’ as expressed in 65584.04(e)(2)(b), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of ‘available’ land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Indeed, AB1397, reiterates this concept and sets forth housing element site inventories which specifically include nonvacant sites. On June 10, 2020, HCD released extensive guidelines for housing element site inventories which takes into account AB 1397's changes¹. A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, the guidelines indicate that (page 32):

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need

¹ See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need. While SCAG understands it is a challenge for jurisdictions to provide the appropriate infrastructure, roads, open space, schools, and other public services, that does not preclude the jurisdiction from planning and zoning for its existing and projected housing need.

Issue 2: Changed Circumstances [Government Code 65584.05(b)].

The recent Covid-19 pandemic has added an unforeseen challenge in meeting the City's housing goals. The drastic change in circumstance should justify pausing the process to consider the long-term implications of pushing for the dramatic increase in housing production. The greater density overall can lead to a greater possibility of COVID-19 transmission. Given recent concerns over compromised public health and safety, dramatic increases in housing density should be re-analyzed.

SCAG Staff Response: SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.” (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report² outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term competitiveness or the

² See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's Draft RHNA Allocation.

Furthermore, while conditions such as overcrowding can be correlated to public health concerns, increased density is not a synonym for overcrowding. Overcrowding is defined as more than 1.01 persons per room in a housing unit and a jurisdiction can increase its density without resulting in overcrowded housing units. One of the objectives of increasing housing supply is to reduce overcrowding and ironically, planning for fewer housing units than needed may in fact result in overcrowding.

Additionally, while it is up to the individual jurisdiction to determine the optimal density to accommodate its housing need, provided that a residential unit meets all California Building Health and Safety Code requirements there is not a maximum density limit that would result in a need to reduce a RHNA allocation.

Other. *In addition to the issues addressed above which are the bases of an appeal, the City of Lakewood also notes that: The regional determination of 1.34 million housing units combined with the inequitable RHNA methodology, which does not include local input, are setting up local jurisdictions for failure to comply with state housing law, which would result in the non-certification of the City's Housing Element. The City requests SCAG consider objecting, once more, to the regional determination of 1.34 million housing units due to the changed circumstances brought about by the pandemic.*

SCAG Staff Response: As described above and in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally-reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD

to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another. See Attachment 1, “Local Input and Development of Draft RHNA allocation” which describes the extent of local engagement and review opportunities provided to local jurisdictions on the household growth forecast. Review opportunities began in October 2017. While the initial deadline for input was October 2018, additional review opportunities were provided to all local jurisdictions through June 2020.

SCAG and HCD understand the challenges jurisdiction’s face to comply with state housing law. To assist in this effort, the City can make use of the various funding opportunities available to support jurisdictions updating their 6th cycle housing elements:

- SB 2 Planning Grants – \$123 million one-time allocation to cities and counties
- SB 2 Planning Grants Technical Assistance offered to all jurisdictions
- Regional and Local Early Action Planning Grants – \$238 million one-time allocation for local and regional governments
- SB 2 Permanent Local Housing Allocation – approximately \$175 million annually in ongoing funding for local governments to increase affordable housing stock (see attached Comment Letter from HCD dated December 10, 2020 at p.3).

Regarding the City’s request for SCAG to object again to the regional determination, SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. State statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow sufficient time for the development of a methodology, appeals, and local housing element updates.

The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs assessment. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG’s growth forecast or to modify its own assumptions or methodology based on this information. HCD did not materially change the regional determination following SCAG’s formal objection filed on September 18, 2019, and there are no further mechanisms provided for in statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the



remaining steps required in the RHNA process—namely the adoption of a final RHNA methodology, conducting an appeals process, and issuing final RHNA allocations.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Lakewood)
2. Appeal Form and Supporting Documentation (City of Lakewood)
3. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Lakewood had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Lakewood's Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Lakewood, the anticipated number of households in 2020 was 26,446 and in 2030 was 27,456 (growth of 1,010 households). In June 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input was not received. The preliminary figures above were used by SCAG.

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Lakewood submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at

<http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Lakewood and incorporated them into the Growth Vision. The City of Lakewood's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on

November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTAs) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of Lakewood

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Lakewood received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Lakewood as summarized in the data and calculations in the tables below.

Lakewood city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	833
Percent of households who are renting:	29%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	2,355
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	19.85%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,995,000
Share of region's job accessibility (population weighted):	0.62%
Jurisdiction's HQT population (2045):	5,389
Share of region's HQT population (2045):	0.05%
Share of population in low/very low-resource tracts:	0.01%

Share of population in very high-resource tracts:	12.29%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Lakewood city	
Forecasted household (HH) growth, RHNA period:	833
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	21
Replacement Need	-
TOTAL PROJECTED NEED:	854
Existing need due to job accessibility (50%)	2575
Existing need due to HQTAs pop. share (50%)	220
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	264
TOTAL EXISTING NEED	3060
TOTAL RHNA FOR LAKEWOOD CITY	3914
Very-low income (<50% of AMI)	1293
Low income (50-80% of AMI)	636
Moderate income (80-120% of AMI)	652
Above moderate income (>120% of AMI)	1333

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 5,388 living within HQTAs, the City of Lakewood represents 0.05% of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Lakewood's median TAZ, it will be possible to reach 19.85% of the region's jobs in 2045 within a 30-minute automobile commute (1,995,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 264 units assigned to the City of Lakewood.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF LAWNSDALE

Hearing Date: January 13, 2021

The City of Lawndale has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Lawndale submits an appeal and requests a RHNA reduction of 2,200 units (of its draft allocation of 2,491 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA methodology for the 6th Cycle RHNA (2021 – 2029) - the methodology fails to consider growth projections consistent with the Connect SoCal Plan.
2. Existing or projected jobs-housing balance – consistency with Connect SoCal Plan.
3. Availability of land suitable for urban development or for conversion to residential use – the City does not have available land suitable for housing nor can it accommodate affordable housing as funding opportunities are limited.
4. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans – consistency with Connect SoCal Plan.
5. The region's greenhouse gas emissions targets - additional housing in the absence of jobs would increase VMT and GHG emissions.
6. Affirmatively further fair housing - the principles of affirmatively further fair housing were not applied as the City received a disproportionately amount of very-low income housing.

Other: Approval process for the Final RHNA Methodology violated state law.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 13, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to

the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011321fullagn_0.pdf?1609982874). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) 2) and 4): Regarding the Final RHNA Methodology, jobs/housing balance, and distribution of household growth, the City fails to recognize that SCAG allocated total regional housing need ("existing need" and "projected need") consistent with the Connect SoCal development pattern.
- 3) Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need. Nor did the City prove that the lack of affordable housing funding would preclude Lawndale's ability to zone for housing.
- 5) Regarding the region's greenhouse gas emissions targets, the City did not provide evidence that the addition of housing units would increase VMT and GHG emissions.
- 6) Regarding Affirmatively Further Fair Housing (AFFH), the City did not provide evidence that the RHNA methodology disproportionately added an overconcentration of lower income households to the City.

Other: The City failed to provide evidence that SCAG violated state law when it adopted the Final RHNA Methodology.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 13, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager II,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Lawndale

RECOMMENDATION:

Deny the appeal filed by the City of Lawndale (the City) to reduce the Draft RHNA Allocation by 2,200 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Lawndale requests a reduction of its RHNA allocation by 2,200 units (from 2,491 units to 291 units) based on:

- 1) Application of the adopted Final RHNA methodology for the 6th Cycle RHNA (2021 – 2029) - the methodology fails to consider growth projections consistent with the Connect SoCal Plan.
- 2) Existing or projected jobs-housing balance – consistency with Connect SoCal Plan.
- 3) Availability of land suitable for urban development or for conversion to residential use – the City does not have available land suitable for housing nor can it accommodate affordable housing as funding opportunities are limited.
- 4) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans – consistency with Connect SoCal Plan.
- 5) The region's greenhouse gas emissions targets - additional housing in the absence of jobs would increase VMT and GHG emissions.
- 6) Affirmatively further fair housing - the principles of affirmatively further fair housing were not applied as the City received a disproportionately amount of very-low income housing.*

Other: The approval process for the Final RHNA Methodology violated state law - this issue is not a basis for appeal; nevertheless, the issue is addressed below.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Lawndale (Final Determination of Appeals Decisions)

* This issue was not checked on the Appeal Request Form, but the City's letter addresses this topic.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Lawndale RHNA allocation.

Issues 1, 2 and 4: The City fails to recognize that SCAG has allocated total regional housing need ("existing need" and "projected need") consistent with the Connect SoCal development pattern. As such, we do not recommend granting an appeal on these basis.

Issue 3: The City did not provide evidence that it does not have land to zone for additional housing. Nor does lack of affordable housing funding preclude the City's ability to zone for housing. As such, we do not recommend granting an appeal on these bases.

Issue 5: The City did not provide evidence that the addition of housing units would increase VMT and GHG emissions. As such, we do not recommend granting an appeal on these bases.

Issue 6: The City has not provided evidence that the RHNA methodology disproportionately added an overconcentration of lower income households to the City. As such, we do not recommend granting an appeal on this basis.

Other: The City fails to provide evidence that SCAG violated state law when it adopted the Final RHNA Methodology. As such, we do not recommend granting an appeal on this basis.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA Allocation for the City of Lawndale: 2,491

Very Low Income: 730

Low Income: 310

Moderate Income: 370

Above Moderate Income 1,081

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Lawndale. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issues 1, 2 and 4: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)], existing or projected jobs-housing balance [Government Code Section 65584.04(e)(1)], and distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Government Code Section 65584.04(e)(3)].

The City of Lawndale claims that SCAG's methodology fails to consider growth projections consistent with the Connect SoCal Plan. The City states that the Draft RHNA Allocation is inconsistent with the development pattern assumed in the Connect SoCal Plan, and such inconsistencies in forecasting growth demonstrate the failure of the methodology to consider local factors and exhibits severe inconsistencies with future growth projections.

SCAG Staff Response: As described above and in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA methodology was adopted by the SCAG Regional Council on March 5, 2020. The RHNA Allocation Methodology uses SCAG's Growth Forecast as the basis to determine the projected household need component of a jurisdiction's draft RHNA allocation. The Integrated Growth Forecast was derived through a multi-year process beginning in October 2017 that was based on local input review through surveys and individual meetings with SCAG jurisdictions. As indicated in Attachment 1, SCAG staff fully considered the input provided by the

City of Lawndale during the development of the Integrated Growth Forecast and incorporated this input into the development of projected need for the City's Draft RHNA Allocation.

However, the RHNA allocation process is a related, but separate process from the development of the RTP/SCS. While Connect SoCal is required under state planning law to identify areas sufficient to house the 8-year RHNA need pursuant to Government Code Section 65080(b)(2)(B)(iii), the RHNA allocation of housing need is a distinct process set forth under state housing law, Government Code Section 65584 *et seq.* The RHNA requirements address the mandate to plan for housing units to further statutory objectives. The RHNA establishes "minimum housing development capacity that cities and counties are to make available via their land use powers to accommodate growth within a planning period."¹

The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. Actual housing production depends on a variety of factors external to the identification of need through RHNA—local jurisdictions frequently have sufficient zoned capacity but actual housing construction depends on market and other external forces. In contrast, the Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given, among other factors described below, the availability of zoned capacity.

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. They reflect additional latent housing needs in the current population (i.e., "existing need") and do not result in a change in regional population.

Ultimately it is this difference between these processes which accounts for the difference between the reasonably foreseeable household growth rate included in Connect SoCal and the development capacity target which RHNA envisions for Lawndale.

Following adoption of SCAG's Final RHNA allocation, local jurisdictions must update their housing elements (as needed) to provide sufficient zoned capacity for the total 6th Cycle allocation pursuant to state guidelines. Updated housing elements are due in October 2021. Pursuant to Government Code Section 65583(c)(1)(A), local jurisdictions will have until January 2025 to complete any necessary rezoning to accommodate their RHNA allocation. Until this planning work is done at the local level, it would be speculative for Connect SoCal to make assumptions about potential

¹ Concurrence in Senate Amendments, AB 1771 (Bloom), as amended August 24, 2018 Comments at p.4 (Original Committee Reference: H. & C.D.).

development levels and patterns that includes the 6th Cycle “existing need.” Once this process is complete, in future RTP/SCS development processes SCAG will re-evaluate the reasonably foreseeable future growth pattern, including the potential impact of any policy changes made in response to the 6th cycle RHNA allocations.

For further discussion see Attachment 1 as well as Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf

The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both “projected need” and “existing need”. On January 13, 2020, HCD’s finding that SCAG’s Draft RHNA Methodology (which was later adopted as the Final RHNA Methodology in March) furthered the statutory objectives of RHNA, reflected that the determination is separated into “projected need” and “existing need” components.

An additional key difference is that the RHNA process only permits SCAG to allocate jurisdiction-level totals (by income category), whereas the RTP/SCS requires SCAG to model future transportation patterns and Greenhouse Gas (GHG) impacts, which requires an estimate of *where* within the jurisdiction future growth may occur. As such, the RHNA process requires adapting Connect SoCal’s key policy direction in order to ensure that *development patterns* are generally consistent across the two processes. For example, Connect SoCal achieves its jobs-housing balance objectives in part by envisioning a set of 72 individual job centers across the region; however, this relies on within-jurisdiction prediction of the location of development. The final RHNA process adapts this concept by developing a measure of job accessibility at the jurisdiction-level—using Connect SoCal data—to ensure consistent strategic and policy direction. Similarly, half of existing need is allocated on the basis of the jurisdiction’s share of the region’s population in a High Quality Transit Area (HQTA) in 2045 as defined in Connect SoCal. This consistent strategic and policy direction results in the Final RHNA Methodology and Draft RHNA Allocation’s consistency with the development patterns in the SCS, pursuant to Government Code section 65584.04(m)(1):

“It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.”

The City is correct in its assertion that 2020-2030 household growth of 154 households forms the basis for its projected need measure. However, based on the City’s job accessibility and transit accessibility scores, nearly 95 percent of its RHNA allocation can be attributed to these existing need measures. Since the City does not demonstrate that the Methodology was improperly applied to determine its share of regional housing need or that jobs-housing balance was not considered,

and since the City's draft RHNA allocation is consistent with the RTP, SCAG staff does not recommend a reduction.

Issue 3: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City of Lawndale claims that SCAG failed to address the availability of land suitable for urban development or conversion to residential use. The City states that there is a lack of funding for affordable housing as well as loss of redevelopment funding. The City argues that in the absence of funding, the City would be forced to accommodate available lands to market rate housing. Finally, the City argues that that most of the City is built out and cannot accommodate additional housing.

SCAG Staff Response: SCAG acknowledges the City's concern with regards to funding issues. However, it is speculative at this time to assume that the lack of affordable housing or redevelopment funds will be an on-going trend and would affect the Final RHNA Allocation Plan which reflects existing and projected housing needs for the next eight years. Also, as a procedural matter, the City fails to explain how its requested revision (downward adjustment of 2,200 units from 2,491 units to 291 units) is justified by the data presented.

Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "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" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use," as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of "available" land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

"In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land." (HCD Letter at p. 2).

Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.² A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, the guidelines indicate that (page 32):

"In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance."

² See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Finally, it's important to note that the RHNA allocation is not a building quota, rather a jurisdiction is required to plan and zone for housing need and is not required to develop the assigned units (which includes affordable housing). For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

Issue 5: The region's greenhouse gas emissions targets [Government Code Section 65584.04(e)(12)].

The City of Lawndale argues that adding housing units in areas where jobs are unavailable will result in increased VMT and an increase in GHG, due to a lack of significant public transit opportunities. The City claims that that most of its residents travel outside of the City for work, and additional housing will increase VMT and GHG.

SCAG Staff Response: The 6th cycle RHNA does not change the population forecast from Connect SoCal either in 2029 (end of RHNA period) or any year during the Connect SoCal growth forecast including 2035 for which Connect SoCal is required to meet the greenhouse gas emissions target. While RHNA would require housing units to address existing need during its planning period in addition to the growth forecast to address projected need, those additional units are intended to serve the existing population. Since the allocation methodology for existing need is based on transit and job access, it promotes a more efficient development pattern in utilizing public transit, reducing commute distance and contribute to further reduce per capita greenhouse gas emissions. For this reason, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

Issue 6: Affirmatively furthering fair housing.

The City of Lawndale argues that the RHNA methodology does not further fair housing, as the City already shares a large proportion of households which are disproportionately "very-low-income" to "low-income" households. The City contends that the methodology results in unfair housing, social inequities and overcrowded housing conditions.

SCAG Staff Response: While SCAG staff accepts the assertion that the jurisdiction has a currently disproportionately high percentage of lower income households in comparison to its surrounding cities and counties, the RHNA methodology addresses this disparity through its social equity adjustment and inclusion of access to resources as an influencing factor.

To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing (AFFH), the RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution in comparison to county distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories. The City of Lawndale received a standard 150 percent social equity adjustment as it is not concentrated in high or low opportunity areas (no additional AFFH adjustment is needed). Lawndale has fewer very-low income households (22.43%), more low-income households (20.86%), more moderate income households (18.74%), and fewer above-moderate income households (37.96%), when compared to Los Angeles County (very-low income households (26.08%), low-income households (15.21%), moderate income households (16.15%), above moderate income households (42.57%)). In other words, Lawndale receives RHNA allocations where it has fewer households than the County by category and is consistent with objective 4 and AFFH. Thus, the RHNA methodology, and by extension the jurisdiction's draft RHNA allocation, has already considered this objective to ensure that there is not an overconcentration of lower income households in these currently impacted areas.

Further, an appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. (See also response to Issue 5 below.) The jurisdiction has not provided evidence that it has a majority of its population within areas of high segregation and poverty or low resource areas and thus cannot be considered as such under the adopted RHNA methodology. For this reason, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

Other: *The City contends that SCAG violated state law when it adopted the Final RHNA Methodology.*

The City asserts that SCAG's Regional Council violated the Brown Act per Government Code Section 54953(c)(2) and denied the City's right to engage in public participation and have its local data considered in its RHNA allocation, as required under Section 65584.04(d).

SCAG Staff Response: SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination, nor is a challenge to the adopted Final RHNA Methodology a basis for appeal. Only improper application of the



methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

The City asserts that SCAG violated the Brown Act in developing and approving the Final RHNA Methodology. This challenge to the underlying procedures in adopting the Final RHNA Methodology is not a valid basis for appeal, and therefore does not support a reduction in the Draft RHNA Allocation. Nevertheless, SCAG respectfully disagrees with the characterizations of the actions of the Regional Council and staff throughout the RHNA process as set forth by the City.

First, SCAG Regional Council took action on both the Draft and Final RHNA methodology pursuant to properly noticed agendas, and every member of the Regional Council, in addition to a significant number of members of the public, had ample opportunity to place on the record, both in writing and in person, their relevant input for the Regional Council's consideration. For example, no less than fourteen (14) letters were acknowledged on the record and these were made available for public and SCAG review prior to the Regional Council's action on the draft methodology, all in compliance with applicable law. It should also be noted that the Draft Methodology was reviewed by HCD and was found to further statutory objectives of RHNA on January 13, 2020. On March 5, 2020, SCAG Regional Council adopted the Draft Methodology as the Final Methodology.

Further, for the Draft RHNA Methodology, many members of the public offered oral testimony on the issue both in support of the original staff recommendation and in support of the alternative draft RHNA methodology that was ultimately approved after a robust discussion among the Regional Council, with staff offering input and answering questions as requested. Both methodologies had been presented in the staff report that was published in the November 7th Regional Council meeting agenda in advance of the meeting in accordance with applicable law. Finally, members of the Regional Council were given wide opportunity to offer input and comments during the course of the discussion and consideration of the item.

The November 7th Regional Council action was preceded by more than nine months of preparatory work and the regional planning process is necessarily complex and multi-faceted. That there are competing interests and priorities is not new. Since the start of the RHNA process in October 2018, SCAG staff has been committed to a fair and transparent process from the very beginning.

For these reasons, SCAG staff does not recommend a reduction to Lawndale's Draft RHNA Allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).



ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Lawndale)
2. Appeal Form and Supporting Documentation
3. Data Input and Verification Form (City of Lawndale)
4. HCD Final 6th Cycle Housing Need Determination for the SCAG Region
5. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Lawndale had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Lawndale’s Draft RHNA Allocation.

1. Local Input

a. *Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS and later referred to as Connect SoCal) and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Lawndale, the anticipated number of households in 2020 was 9,833 and in 2030 was 9,987 (growth of 154 households). On April 23, 2018, SCAG staff met with staff from the City of Lawndale to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

City of Lawndale on the growth forecast was received in October 2018. Following input, household totals remained the same.

b. Submitted RHNA methodology surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Lawndale submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. The City of Lawndale's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on

November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTAs) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Final RHNA Methodology and Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Lawndale received its Draft RHNA Allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocations for the City of Lawndale as summarized in the data and in the tables below.

City of Lawndale Statistics and Inputs		Calculation of Draft RHNA Allocation for Lawndale	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	127	Forecasted household (HH) growth, RHNA period:	127
Percent of households who are renting:	68%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	5
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	383	TOTAL PROJECTED NEED:	132
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	14.31%	Existing need due to job accessibility (50%):	756
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,438,000	Existing need due to HQTa pop. share (50%):	1,400
Share of region's job accessibility (population weighted):	0.18%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	204
Jurisdiction's HQTa population (2045):	34,232	TOTAL EXISTING NEED:	2,360
Share of region's HQTa population (2045):	0.33%	TOTAL RHNA FOR THE CITY OF LAWDALE:	2,491
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	730
Share of population in very high-resource tracts:	0.03%	Low income (50-80% of AMI):	310
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	370
		Above moderate income (>120% of AMI)	1,081

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 34,232 living within HQTAs, the City of Lawndale represents 0.33% of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Lawndale median TAZ, it will be possible to reach 14.31% of the region's jobs in 2045 within a 30-minute automobile commute (1,707,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 204 units assigned to the Lawndale.

Please note that the above represents only a partial description of key data and calculations in the Final RHNA Methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF LOS ALAMITOS

Hearing Date: January 22, 2021

The City of Los Alamitos has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- “(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.
- (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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

(1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

(2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.

(3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Los Alamitos submits an appeal and requests a RHNA reduction of 500 units (of its draft allocation of 767 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - the 6th cycle RHNA methodology failed to further the objectives of State housing law. The methodology's distribution of housing need for disadvantaged communities (DACs) disregards local planning constraints, forcing the City to accommodate residual need. Additionally, the City requests a reduction based on the 5th RHNA cycle adopted methodology.
- 2) Availability of land suitable for urban development or for conversion to residential use -89% of land within the City is unavailable for additional development. Listed as unavailable are multifamily residential, commercial offices, parks, the Joint Forces Training Base (JFTB), and public easements.
- 3) Sewer or water infrastructure constraints for urban development - water and sewage infrastructure is a growth constraint.
- 4) Lands protected from urban development under existing federal or state programs - the JFTB occupies approximately 50% of the City and residential development outside of the airfield area is restricted due to noise impact, height limitations, and other building restrictions.
- 5) Changed circumstances – the COVID-19 pandemic has impacted the City and State economies and population growth trends reflect a lower rate of population growth in the region.

A. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 22, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing

comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City’s staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph012221fullagn.pdf?1610771065>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board’s Decision

Based upon SCAG’s adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted Final RHNA Methodology, no evidence was provided to support an incorrect application of the adopted RHNA methodology, and while the City requests it, SCAG cannot use the 5th RHNA cycle methodology for the current cycle.
- 2) Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 3) Regarding sewer and water capacity constraints, no evidence was provided from the service providers that precludes the jurisdiction from accommodating its draft RHNA allocation.
- 4) Regarding lands protected from urban development under existing federal or state programs, the City does not provide evidence that there is insufficient land available for accommodating its draft RHNA allocation.
- 5) Regarding change in circumstance, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 22, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Los
Alamitos

RECOMMENDED ACTION:

Deny the appeal filed by the City of Los Alamitos to reduce the draft RHNA allocation for the City of Los Alamitos by 500 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Los Alamitos requests a reduction of its RHNA allocation by 500 units (from 767 units to 267 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Availability of land suitable for urban development or for conversion to residential use
- 3) Sewer or water infrastructure constraints for urban development
- 4) Lands protected from urban development under existing federal or state programs
- 5) Changed circumstances

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Los Alamitos's RHNA allocation. Regarding Issue 1, no evidence was provided to support an incorrect application of the adopted RHNA methodology, and while the City requests it, SCAG cannot use the 5th RHNA cycle methodology for the current cycle. Regarding Issue 2, the availability of land was not demonstrated to be an impediment to meeting the City's RHNA allocation since it does not provide evidence that it cannot accommodate housing on other areas in the jurisdiction. Regarding Issue 3, based on sewer and water capacity constraints, no evidence was provided from the service providers that precludes the jurisdiction from accommodating its draft RHNA allocation. Regarding Issue 4, the

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Attachment: Determination Regarding Appeal from the City of Los Alamitos (Final Determination of Appeals Decisions)

City does not provide evidence that there is insufficient land available for accommodating its draft RHNA allocation. Regarding Issue 5, change in circumstance impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Los Alamitos: 967 units
 Very Low Income: 193 units
 Low Income: 118 units
 Moderate Income: 145 units
 Above Moderate Income: 311 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Los Alamitos. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and

their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029)
[Government Code section 65584.05 (b)(2)].

The City indicates that it is appealing its draft RHNA allocation based on an incorrect application of the adopted Final RHNA Methodology. It states that the adopted 6th cycle RHNA methodology failed to further the objectives of State housing law in Government Code Section 65584(d). The appeal argues that the methodology's distribution of housing need based on a community's designation as a disadvantaged community (DAC), which the City of Los Alamitos is not, disregards local planning constraints and forces the City to accommodate the residual need from disadvantaged communities.

Additionally, the City requests a reduction of its draft RHNA allocation based on the 5th RHNA cycle adopted methodology. It argues that the 5th cycle allocation also addresses the goals of State housing law in Government Code section 65584(d).

SCAG Staff Response: As described above and in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally-reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives¹ in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another. The basis for an appeal for this factor is the *application* of the RHNA methodology and not the RHNA methodology itself, which was a separate but extensive process that involved multiple steps and public involvement leading up to final adoption.

¹ The objectives are: 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. (Govt. Code § 65584(d).)

An example of an improper application of the adopted Methodology that may be eligible for appeal might be a data error identified by a local jurisdiction. The regional determination establishing the total number of housing units to be allocated to the SCAG region for the 6th RHNA cycle was set by HCD and is not subject to appeal by SCAG or its constituent jurisdictions.

Additionally, it is important to note that the objectives of State housing law have been updated since the 5th RHNA cycle, which concluded in October 2012. Notably is the addition of the fifth objective of RHNA – Affirmatively Furthering Fair Housing (AFFH). This addition for the 6th RHNA cycle is one of the reasons for the inclusion of the consideration of DACs and promoting fair access to housing for disadvantaged groups in higher resource areas. For these reasons, SCAG staff does not recommend a reduction to the City’s draft RHNA allocation based on this factor.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code section 65584.04(e)(2)(B)].

The City of Los Alamitos indicates in its appeal that 89% of land within the City is unavailable for additional development. Listed as unavailable are multifamily residential, commercial offices, parks, the Joint Forces Training Base (JFTB), and public easements. The City also claims that only 0.01% of the City, or 3 acres, is available space.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.² A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs).³ Specifically, the guidelines indicate that (page 32):

² See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

³ See also Accessory Dwelling Unit Handbook, HCD, September 2020 at <https://www.hcd.ca.gov/policy-research/docs/adu-ta-handbook-final.pdf>

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

As such, the City can and must consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

While the City indicates that only 3 acres is available for development and lists the acreage of already zoned and “built out” existing land uses, it does not provide evidence that it is unable to consider underutilization of these sites, increased densities, and other planning tools to accommodate its assigned need. Again, SCAG is prohibited from limiting the consideration of suitable sites due to the City’s land use restrictions and is required to review alternative methods to meet housing need, neither of which is provided in the appeal application. For this reason, SCAG staff does not recommend a reduction to the City of Los Alamitos’s draft RHNA allocation based on this factor.

Issue 3: Sewer or water infrastructure constraints for additional development [Government Code section 65584.04(e)(2)(A)].

The City of Los Alamitos indicates in its appeal that water and sewage infrastructure is a growth constraint. According to the appeal, considerable growth population “will put a strain on current infrastructure as Los Alamitos does not own and maintain the water/sewer infrastructure for the City.”

SCAG Staff Response: The full text of this factor is from Government Code Section 65584(e)(2)(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).”

For this factor to apply, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the sewer and water constraints mentioned by the jurisdiction, it is not evident that any State or federal laws, regulations, or supply and distribution decisions made by an external provider would prevent the jurisdiction from providing necessary

infrastructure. For this reason, SCAG staff does not recommend a housing need reduction based upon this planning factor.

Issue 4: Lands protected from urban development under existing Federal or State programs [Government Code section 65584.04(2)(C)].

In its appeal, the City indicates that the Joint Forces Training Base (JFTB) occupies approximately 50% of its 2,619 acres. The military installation contains an operational airfield, two runways, and related aircraft facilities. The City argues that residential development outside of the airfield area is restricted due to noise impact, height limitations, and other building restrictions.

SCAG Staff Response: It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that these areas have changed since the most current input provided in September 2018.

SCAG staff acknowledges that the City does not have land use decision making authority on JFTB land, but the City is required to consider availability of land and other planning tools to accommodate its need in areas where it does have land use authority (see also Response to Issue 2 above). However, the City does not provide evidence that it is unable to consider underutilization of other sites, increased densities, and other planning tools to accommodate its assigned need. There is also no evidence provided that all other sites within the City are unsuitable for any development, nor is there any supporting evidence that the rezoning of non-residential sites is impossible. For these reasons, SCAG staff does not recommend a reduction to the City's draft RHNA allocation based on this factor.

Issue 5: Changed circumstances [Government Code section 65584.05(b)].

The City argues that the COVID-19 pandemic has had a considerable impact on its economy as well as the State. In its appeal, the City states that population growth trends reflect a lower rate of population growth in the region and that it will take years for the City's economy and housing market to return to pre-COVID levels.

SCAG Staff Response: SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04." (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report⁴ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term competitiveness or the region’s employment outlook for 2023-2045. As such, SCAG’s assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s draft RHNA allocation.

Other: Outreach.

The City writes in its appeal that in comment letters to SCAG in September 2019, it requested that SCAG “keep the City informed through the process” adding that “those requests have not been met to a satisfactory level.”

While SCAG staff acknowledges that challenges of participating as one jurisdiction among 197 jurisdictions during the RHNA process, SCAG has committed to undertaking extensive effort to reach out to not only every individual jurisdiction, but to elected officials, stakeholders, and the general public as well. At each milestone during the RHNA process, emails were distributed to individual planning directors and city managers/county chief executive officers for all jurisdictions,

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579



along with new information posted on the SCAG RHNA webpage. Planning directors were also invited to participate in numerous public hearings, meetings, and workshops to hear information on the RHNA process and methodology, and to provide input. While SCAG staff acknowledges the frustration held by some stakeholders with the complexity of the RHNA process, SCAG staff has made significant effort to conduct a transparent and inclusive RHNA outreach process over the past two years.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Los Alamitos)
2. Appeal Form and Supporting Documentation (City of Los Alamitos)
3. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Los Alamitos had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Los Alamitos' Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁵ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁶ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Los Alamitos, the anticipated number of households in 2020 was 4,150 and in 2030 was 4,335 (growth of 185 households). In March 2018, SCAG staff and CDR staff met with

⁵ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁶ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff from the City of Los Alamitos to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Los Alamitos submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Los Alamitos and incorporated them into the Growth Vision in December 2019. The City of Los Alamitos' TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d).)

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁷ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁷ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Los Alamitos

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Los Alamitos received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Los Alamitos as summarized in the data and calculations in the tables below.

Los Alamitos city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	153
Percent of households who are renting:	56%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	268
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	21.55%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,166,000
Share of region's job accessibility (population weighted):	0.10%
Jurisdiction's HQTAs population (2045):	-
Share of region's HQTAs population (2045):	0.00%
Share of population in low/very low-resource tracts:	0.00%
Share of population in very high-resource tracts:	6.82%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Los Alamitos city	
Forecasted household (HH) growth, RHNA period:	153
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	5
Replacement Need	-
TOTAL PROJECTED NEED:	158
Existing need due to job accessibility (50%)	406
Existing need due to HQTAs pop. share (50%)	0
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	203
TOTAL EXISTING NEED	609
TOTAL RHNA FOR LOS ALAMITOS CITY	767
Very-low income (<50% of AMI)	193
Low income (50-80% of AMI)	118
Moderate income (80-120% of AMI)	145
Above moderate income (>120% of AMI)	311

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With no forecasted 2045 population living within HQTAs, the City of Los Alamitos represents none of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Los Alamitos' median TAZ, it will be possible to reach 21.55% of the region's jobs in 2045 within a 30-minute automobile commute (2,166,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 203 units assigned to the City of Los Alamitos.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF MISSION VIEJO

Hearing Date: January 22, 2021

The City of Mission Viejo has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- “(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.
- (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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

(1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

(2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.

(3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Mission Viejo submits an appeal and requests a RHNA reduction of an unspecified number of units (of its draft allocation of 2,211 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6h Cycle RHNA (2021 – 2029) – relationship to regional need determination.
- 2) Changed circumstances -- the COVID-19 pandemic and resultant economic disruptions constitute changed circumstances meriting review of the regional determination.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 22, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna->

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

[abph012221fullagn.pdf?1610771065](https://scag.ca.gov/rhna-subcommittee)). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) and 2) While the City identifies two bases of appeal (application of the Final RHNA Methodology and changed circumstances), their arguments all center on the regional determination. The regional determination is not a basis for an appeal and is not within the authority of SCAG's RHNA Appeals Board or Regional Council to modify. While the COVID-19 pandemic and its economic fallout could result in planning or financial challenges, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 22, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Mission Viejo

RECOMMENDED ACTION:

Deny the appeal filed by the City of Mission Viejo to reduce the draft RHNA allocation for the City of Mission Viejo.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Mission Viejo requests a reduction of its draft RHNA allocation of 2,211 housing units (without identifying a specific numeric reduction) based on:

- 1) Application of the adopted Final RHNA Methodology for the 6h Cycle RHNA (2021 – 2029) – relationship to regional need determination.
- 2) Changed circumstances -- the COVID-19 pandemic and resultant economic disruptions constitute changed circumstances meriting review of the regional determination.

Other: Mission Viejo indicates that HCD failed to follow state law in issuing the regional housing need determination of 1.34 million housing units and that a regional number of 651,000 or 1.21 million housing units is more appropriate. Mission Viejo does not contest any data elements or policy components of SCAG's RHNA methodology. Mission Viejo explicitly states that their appeal does not constitute a challenge to SCAG's formula or method of allocating of housing units to any local jurisdiction.

RATIONALE FOR STAFF RECOMMENDATION:

While the City separates their appeal in to Appeal 1 and Appeal 2 and identifies two bases of appeal (application of the Final RHNA Methodology and changed circumstances), their arguments all center

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Mission Viejo (Final Determination of Appeals Decisions)

on the regional determination. Staff have reviewed the City's appeal documentation and recommend no change to their draft RHNA allocation. The regional determination is not a basis for an appeal and is not within the authority of SCAG's RHNA Appeals Board or Regional Council to modify. While the COVID-19 pandemic and its economic fallout could result in planning or financial challenges, the City neither demonstrates how Mission Viejo is uniquely impacted nor how long-range trends are affected such that housing need is reduced in the SCAG region.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Mission Viejo: 2,211 units
 Very Low Income: 672 units
 Low Income: 400 units
 Moderate Income: 396 units
 Above Moderate Income: 743 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Mission Viejo. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
-
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
-
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and

their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)]:

The City of Mission Viejo appeals on the basis that the methodology was not properly applied, pursuant to Government Code section 65584.05(a)(2):

“The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.”

Mission Viejo contends that since HCD’s regional determination is flawed, over-inflated, likely defective, and is at least double the appropriate amount (as argued in what is labeled Appeal 1), SCAG’s distribution of this number through the RHNA methodology is therefore contaminated. The City reasons that a decrease in starting point would cut each individual jurisdiction’s draft RHNA allocation, even without changes to the existing Final RHNA Methodology.

The City cites portions of SCAG’s Final RHNA Methodology which reference the regional determination in order to establish their linkage between the regional determination and application of the Final RHNA Methodology. The City indicates in its appeal that the issue raised is not a challenge to SCAG’s approach for allocating housing units to local jurisdictions.

SCAG Staff Response: SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs assessment. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

With respect to the statutory objectives¹, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time,

¹ The objectives are: 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

there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another.

See also response to “other” issues below regarding more information on the RNHA process.

The City states that it is not contesting SCAG’s approach for allocating the region’s housing need, however, they indicate that errors in the regional housing need determination are inextricably part of SCAG’s allocation methodology and constitute an appeal basis. While a housing needs allocation methodology necessarily needs a number of units to allocate, HCD’s regional housing need determination was part of a separate process that is not currently a basis for appeal. The regional determination was contested by SCAG as part of the determination process. There are no provisions in Government Code section 65584.05(b) for a local jurisdiction to appeal a regional determination.

It is important to have regionally standardized approaches in all parts of the RHNA methodology in order to ensure that housing units are allocated fairly and consistently, and this approach is part of the adopted Final RHNA Methodology. Mission Viejo has not provided evidence to suggest that the process underlying the adopted Final RHNA Methodology is in any way flawed or incorrectly applied. As noted above and discussed under “other” below the regional need determination itself is not a basis for appeal. As such, SCAG staff does not recommend a reduction in the City’s draft RHNA allocation based on this issue.

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. (Govt. Code § 65584(d).)

Issue: Changed circumstances [Government Code section 65584.05(b)(3)].

Government Code section 65584.05(b)(3) indicates that to the extent that sufficient data is available the following factor shall be included in developing the methodology that allocates regional housing needs:

“A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.”

Mission Viejo indicates that unemployment has dramatically increased during 2020 as a result of COVID-19 which was after the 2018-2019 local input and data development process for RHNA. This change has impacted the ability of local governments to finance the infrastructure needed for more housing. Specifically, Mission Viejo cites the UCLA Anderson Forecast with respect to current high unemployment numbers against a backdrop of strong growth in building permits anticipated through at least 2022. The City notes that the projected statewide housing production figures exceed the regional determination.

SCAG Staff Response: See the response to “other” issues below for a full discussion of the reasons why the regional determination cannot be considered a basis for appeal, and why new studies or information cannot now be considered given the necessary timelines.

While SCAG staff recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment, these facts, as presented by the City, do not merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04” (Government Code section 65584.05(b)(3)). Furthermore, section 65584.05(b) requires that,

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of the 2020 RTP/SCS by 120 days in order to assess the impact of COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts

generally do not provide a basis for changes in the region's long-term competitiveness or the region's employment outlook for 2023-2045. While the UCLA Anderson Forecast cited in Mission Viejo's appeal indicates that unemployment rose during 2020, it does not comment on long-range employment. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

Furthermore, the UCLA data is regional in nature and does not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was applied incorrectly to determine the jurisdiction's share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. In fact, the UCLA Anderson Forecast referenced by the City predicts a rapid rebound in residential building permits through 2020 and a continued increase through 2022.

Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the City's appeal that indicates that housing need within the City of Mission Viejo is disproportionately impacted in comparison to the rest of the SCAG region by these potential changes.

Market conditions and the cost to develop and construct the allocated new housing units within a jurisdiction cannot be considered by SCAG as a justification for a RHNA reduction since the RHNA Allocation does not provide a building quota or mandate. The City is not responsible for obtaining land or developing housing, it is only required to plan and zone for its determined housing need. Notwithstanding the UCLA Anderson Forecast's projection of statewide permits issued by 2022, HCD has assessed the region's housing *need* as being greater than short-term anticipated permitting. As such, Mission Viejo does not establish how its share of regional housing needs should be lower as a result of the changed circumstances indicated.

Other: Regional need determination.

In what is labeled as Appeal 1, the City cites studies which were made available in 2020 indicating that the regional determination should be 651,000 units. The City claims that one such study indicates an appropriate statewide figure is 820,000 units and that another study notes errors in HCD's calculations surrounding vacancy rate assumptions and double-counting.

In what is labeled as Appeal 2, Mission Viejo indicates that HCD violated statute by relying on the state Department of Finance's (DOF) population forecasts rather than SCAG's in the regional housing needs determination, and that this change would result in a regional determination of 1.21 million housing units.

Mission Viejo indicates that by not further pursuing a reduced regional housing needs determination, SCAG punishes minorities and the working poor.

The City suggests that since other state agencies such as the DMV and EDD have experienced gross failures during the COVID-19 pandemic that it is likely that HCD miscounted or misunderstood the region's housing need total.

As previously noted above and as reiterated by the City in its appeal, the issue raised is not a challenge to SCAG's approach for allocating housing units to local jurisdictions.

SCAG Staff Response: With regards to the timeline and SCAG's role in the regional determination, SCAG developed a consultation package to HCD regarding the regional housing needs determination during the first half of 2019. During this time SCAG extensively reviewed a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and state. On March 27, 2019 SCAG convened a panel of fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, the RHNA statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

The defined timeframes are guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This "determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

A report by Freddie Mac's Economic & Housing Research Group titled "The housing supply shortage: State of the states" was released in February 2020, and a slide deck titled "Double counting in the latest housing needs assessment" was placed on the Embarcadero Institute's website during 2020 (last update September 2020). Notwithstanding the merits (or lack thereof) of these studies, in order for such materials to have been considered by HCD, they would have had to have been submitted by prior to the regional determination from HCD in fall 2019. Furthermore, as discussed above, SCAG's consultation package to HCD regarding the regional determination contained an extensive quantitative assessment of overcrowding, vacancy, and cost burden factors and a discussion of the issue of double-counting.

Additionally, the studies referenced are regional in nature and do not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was incorrectly applied to determine the jurisdiction's share of regional housing need. Because state or regional studies does not meet this criterion, these studies cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

Mission Viejo also contends that SCAG's failure to further pursue a reduced regional housing needs determination harms minority and the working poor. However, as discussed in the response to Issue 1, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met and on January 13, 2020, HCD found SCAG's 6th cycle methodology to advance all five statutory objectives of RHNA, including affirmatively furthering fair housing.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates.



Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation.

Since Mission Viejo does not provide any evidence to demonstrate that their share of the regional housing need is inconsistent with SCAG's Final RHNA Methodology, staff cannot recommend a reduction on this basis.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Mission Viejo)
2. Appeal Form and Supporting Documentation (City of Mission Viejo)
3. Comments Received During the Comment Period (General)
4. MissionViejo_hqta
5. MissionViejo_jobaccess

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Mission Viejo had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Mission Viejo's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Mission Viejo, the anticipated number of households in 2020 was 34,038 and in 2030 was 34,087 (growth of 49 households). In March 2018, SCAG staff and CDR staff met

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

with staff from the City of Mission Viejo to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Mission Viejo submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Mission Viejo and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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. (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Mission Viejo

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Mission Viejo received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Mission Viejo as summarized in the data and calculations in the tables below.

Mission Viejo city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	40
Percent of households who are renting:	22%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	193
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	9.12%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	916,000
Share of region's job accessibility (population weighted):	0.33%
Jurisdiction's HQT population (2045):	1,617
Share of region's HQT population (2045):	0.02%
Share of population in low/very low-resource tracts:	0.01%
Share of population in very high-resource tracts:	23.34%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Mission Viejo city	
Forecasted household (HH) growth, RHNA period:	40
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	1
Replacement Need	-
TOTAL PROJECTED NEED:	41
Existing need due to job accessibility (50%)	1380
Existing need due to HQTAs pop. share (50%)	66
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	724
TOTAL EXISTING NEED	2170
TOTAL RHNA FOR MISSION VIEJO CITY	2211
Very-low income (<50% of AMI)	672
Low income (50-80% of AMI)	400
Moderate income (80-120% of AMI)	396
Above moderate income (>120% of AMI)	743

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 1,617 living within HQTAs, the City of Mission Viejo represents 0.02% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Mission Viejo's median TAZ, it will be possible to reach 9.12% of the region's jobs in 2045 within a 30-minute automobile commute (916,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 724 units assigned to the City of Mission Viejo.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF NEWPORT BEACH

Hearing Date: January 19, 2021

The City of Newport Beach has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD’s RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG’s Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG’s objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region’s anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793
⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292
⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>
⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Newport Beach submits an appeal and requests a RHNA reduction of 2,408 units (of its draft allocation of 4,834 units). The grounds for appeal are as follows:

1. Application of the Final RHNA methodology for the 6th cycle RHNA (2021 -2029) - the Draft RHNA Allocation is inconsistent with the development patterns projected in SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal) as the household growth reflected in the Draft RHNA Allocation is much higher than the growth forecast in Connect SoCal.
2. Availability of land suitable for urban development or conversion to residential use - constraints on several land use types which might accommodate the Draft RHNA Allocation including limited vacant land, limited conversion potential of existing land uses (the City provides sample calculations about the density that the Draft RHNA Allocation might result in).
3. Lands protected from urban development under existing federal or state programs – coastal zone limitations, sea level rise, airport-related growth constraints, protected natural lands, and high fire risk areas, and seismic hazard zones.
4. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans – same issue as item 1.
5. Changed circumstances – COVID-19 pandemic will have lasting effects on the City's economy and housing market.

Other: The City also identifies other limitations on growth that are not allowable bases of appeal (existing uses, development trends, market conditions, realistic development capacity, realistic capacity of nonvacant sites, substantial evidence requirement).

B. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 19, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011921fullagn.pdf?1610770557>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) and 4): Regarding the application of the Final RHNA Methodology and distribution of household growth, the City does not contest the validity of the data, measures, or inputs used in the RHNA methodology, rather, it contends that the RHNA Methodology is inconsistent with the Connect SoCal. A challenge to the methodology rather than application of the methodology is not a valid basis for appeal. Furthermore, HCD found that the Final RHNA Methodology furthers statutory objectives.
- 2) and 3): Regarding availability of land suitable for urban development or conversion to residential use and lands protected from urban development under existing federal or state programs, Newport Beach demonstrates that some areas of the city are subject to external

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

development constraints described in Government Code 65584.04(e)(2)(A), however, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.

- 5) Regarding changed circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City’s appeal and finds that the City’s RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG’s Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 15, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kevin Kane, Senior Regional Planner,
(213) 236-1828, kane@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Newport
Beach

RECOMMENDED ACTION:

Deny the appeal filed by the City of Newport Beach to reduce the Draft RHNA Allocation for the City of Newport Beach by 2,408 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Newport Beach requests a reduction of its Draft RHNA Allocation by 2,408 units (from 4,834 units to 2,426) based on:

1. Application of the Final RHNA methodology for the 6th cycle RHNA (2021 -2029) - the Draft RHNA Allocation is inconsistent with the development patterns projected in SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal) as the household growth reflected in the Draft RHNA Allocation is much higher than the growth forecast in Connect SoCal.
2. Availability of land suitable for urban development or conversion to residential use - constraints on several land use types which might accommodate the Draft RHNA Allocation including limited vacant land, limited conversion potential of existing land uses (the City provides sample calculations about the density that the Draft RHNA Allocation might result in).
3. Lands protected from urban development under existing federal or state programs - coastal zone limitations, sea level rise, airport-related growth constraints, protected natural lands, and high fire risk areas, and seismic hazard zones.
4. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans – same issue as item 1).

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Newport Beach (Final Determination of Appeals Decisions)

5. Changed circumstances - COVID-19 pandemic will have lasting effects on the City's economy and housing market.

Other: The City also identifies other limitations on growth that are not allowable bases of appeal (existing uses, development trends, market conditions, realistic development capacity, realistic capacity of nonvacant sites, substantial evidence requirement).

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Newport Beach's RHNA Allocation.

In (1) and (4), the City does not contest the validity of the data, measures, or inputs used in the RHNA methodology, instead contesting whether it furthers statutory objectives or is adequately consistent with the RTP/SCS. Since HCD found that the Draft Methodology furthers statutory objectives and the Methodology itself cannot be changed through the appeals process, SCAG staff does not recommend granting an appeal on these bases.

Regarding (2) and (3), while Newport Beach demonstrates that some areas of the city are subject to external development constraints described in Government Code 65584.04(e)(2)(A), this does not preclude development on land that is not so encumbered which might be possible under alternative zoning and land use restrictions, as described in Government Code 65584.04(e)(2)(B). As such, SCAG staff cannot recommend granting an appeal on these bases.

In (5), given the long-range nature of our planning processes and failure of Newport Beach to demonstrate how changed circumstances uniquely impact Newport Beach such that their housing need is reduced, SCAG does not recommend granting an appeal on this basis.

Regarding other limitations on growth that are not allowable bases of appeal but are raised by the City, the RHNA Allocation does not provide a building quota or mandate; a local jurisdiction is only required to plan and zone for its determined housing need and is not required to develop the allocated units.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Newport Beach: 4,834 units
Very Low Income: 1,453 units
Low Income: 928 units
Moderate Income: 1,048 units
Above Moderate Income: 1,405 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Newport Beach. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issues 1 and 4: *Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)] and distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Section 65584.04(e)(3)].*

The City of Newport Beach appeals on the basis that the methodology was not properly applied, pursuant to Government Code section 65584.05(a)(2):

"The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584."

and on the basis of the local planning factor described in Government Code section 65584.04(e)(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.”

Specifically, the City contends that the Draft RHNA Allocation envisions a higher growth rate (roughly 604 housing units per year) than envisioned in the Connect SoCal plan (roughly 100 household per year) and that, if the housing unit targets in RHNA were to materialize during the 2021-2029 planning period, the City would exceed its 2045 forecasted growth in only 6.5 years.

The City also argues that the residual need portion of the Methodology is inconsistent with Connect SoCal as it is based on need left by other jurisdictions. Relatedly, Newport Beach argues that the Methodology’s redistribution of this factor within county boundaries is arbitrary and does not amply consider regional employment.

SCAG Staff Response: The RHNA allocation process is a related, but separate process from the development of the RTP/SCS. While Connect SoCal is required under state planning law to identify areas sufficient to house the 8-year RHNA need pursuant to Government Code Section 65080(b)(2)(B)(iii), the RHNA allocation of housing need is a distinct process set forth under state housing law, Government Code Section 65584 *et seq.* The RHNA requirements address the mandate to plan for housing units to accommodate growth within the planning period and to further statutory objectives.

More specifically, the RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. Actual housing production depends on a variety of factors external to the identification of need through RHNA—local jurisdictions frequently have sufficient zoned capacity but actual housing construction depends on market and other external forces. For example, per HCD’s Annual Progress Reports covering new unit permits through 2018, the region’s low and very-low income permits totaled 19,328 units (2,494/year) compared to the RHNA allocation of 165,579 units (21,365/year).

In contrast, the Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given regional factors such as births, deaths, migration, and employment growth as well as local factors, which includes the availability of zoned capacity.¹

¹ For details, see Connect SoCal’s Demographics and Growth Forecast Technical Report at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_demographics-and-growth-forecast.pdf

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. They reflect additional latent housing needs in the current population (i.e., “existing need”) and do not result in a change in regional population.

Ultimately it is this difference between these processes which accounts for the difference between the reasonably foreseeable household growth rate included in Connect SoCal and the development capacity target which RHNA envisions for Newport Beach.

Following adoption of SCAG’s Final RHNA Allocation, local jurisdictions must update their housing elements (as needed) to provide sufficient zoned capacity for the total 6th Cycle allocation pursuant to state guidelines. Updated housing elements are due in October 2021. Pursuant to Government Code Section 65583(c)(1)(A), local jurisdictions will have until January 2025 to complete any necessary rezoning to accommodate their RHNA allocation. Until this planning work is done at the local level, it would be speculative for Connect SoCal to make assumptions about potential development levels and patterns that includes the 6th Cycle “existing need.” Once this process is complete, in future RTP/SCS development processes SCAG will re-evaluate the reasonably foreseeable future growth pattern, including the potential impact of any policy changes made in response to the 6th cycle RHNA allocations.

An additional key difference is that the RHNA process only permits SCAG to allocate jurisdiction-level totals (by income category), whereas the RTP/SCS requires SCAG to model future transportation patterns and Greenhouse Gas (GHG) impacts, which requires an estimate of *where* within the jurisdiction future growth may occur. As such, the RHNA process requires adapting Connect SoCal’s key policy direction in order to ensure that *development patterns* are generally consistent across the two processes. For example, Connect SoCal achieves its jobs-housing balance objectives in part by envisioning a set of 72 individual job centers across the region; however, this relies on within-jurisdiction prediction of the location of development. The final RHNA process adapts this concept by developing a measure of job accessibility at the jurisdiction-level—using Connect SoCal data—to ensure consistent strategic and policy direction. Similarly, half of existing need is allocated on the basis of the jurisdiction’s share of the region’s population in a High Quality Transit Area (HQTA) in 2045 as defined in Connect SoCal. This consistent strategic and policy direction results in the Final RHNA Methodology and Draft RHNA Allocation’s consistency with the development patterns in the SCS, pursuant to Government Code section 65584.04(m)(1):

“It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate

housing units within the region consistent with the development pattern included in the sustainable communities strategy.”

For further discussion see Attachment 1 as well as Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf

Newport Beach’s contention that the residual need component of the Final RHNA Methodology is inconsistent with Connect SoCal is also flawed. The RHNA Methodology is a complex balance of several regional objectives ranging from jobs-housing balance to Affirmatively Furthering Fair Housing (AFFH). Ultimately, AFFH is one of the RHNA objectives described in Government Code 65584(d) and the residual reallocation is part of the adopted Final RHNA Methodology. It furthers the AFFH objectives by ensuring that RHNA allocations are not concentrated in jurisdictions with lower opportunity scores, reallocating them to jurisdictions with higher opportunity scores. Newport Beach asserts that this is to the detriment of regional job accessibility because DAC jurisdictions may not receive allocation on those bases, compromising other statutory objectives and the SCS consistency described in Government Code 65584.04(m)(1). However, the residual reallocation at issue is made to non-DAC jurisdictions *on the basis* of their job and transit access levels.

The City contends that it is bearing the burden of other jurisdictions; however, the residual reallocation is part of the adopted Final RHNA Methodology—not a step which is “added” afterward but is a plan to allocate need based on regional considerations. Newport Beach further contends that Orange County is singled out regarding the residual reallocation; however, the Methodology is consistent in its application across counties and does not include any specific exemptions or treatments for Orange County.

For these reasons, SCAG appropriately applied the Methodology, and the Methodology and Connect SoCal are consistent; thus staff does not recommend a reduction to Newport Beach’s Draft RHNA Allocation on these bases.

Issue 2: Lands protected from urban development under existing federal or state programs [Section 65584.04(e)(2)(C)].

The City of Newport Beach contends that SCAG failed to adequately consider the information submitted pursuant to Government Code 65584.04(b). Specifically, the City references Government Code section 65584.04(e)(2)(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...”

The City organizes this issue in the following manner, and includes a table of acreage associated with each constraint, asserting that approximately 50 percent of the legal parcels in the City of Newport Beach are subject to these constraints:

- a.) Coastal Zone Limitations Not Considered in Methodology (1,226 acres)*
- b.) Sea Level Rise and Storm Inundation (flood zone; 479 acres)*
- c.) Airport Environs Land Use Plan (391 acres)*
- d.) Lands Protected and/or Precluded from Development Activity*
 - a. Protected Natural Lands (2,734 acres)*
 - b. High Fire Severity Hazard Zones (3,227 acres)*
 - c. Seismic Hazard Zones (4,107 acres)*

The City also suggests that SCAG’s Methodology should allow for a 10 percent adjustment factor to RHNA allocations to permit the accommodation of hazards—an approach being considered for inclusion in the Association of Bay Area Government’s (ABAG) Draft RHNA Methodology.

SCAG Staff Response: It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. Attachment 1 describes SCAG’s extensive Bottom-Up Local Input and Envisioning Process which provided extensive engagement and review opportunities to ensure that forecasting growth in constrained areas was avoided. An updated version of the draft data/map book originally provided to and discussed with Newport Beach in March 2018 is available at <https://scag.ca.gov/sites/main/files/file-attachments/newportbeach.pdf> and specifically includes data on coastal inundation/sea level rise, protected natural lands, and flood hazard zones. Similar information was received through Newport Beach’s Local Planning Factor Survey. While maps were not explicitly provided regarding fire hazard, seismic hazard, and airport noise, the local input process provided Newport Beach with the opportunity to make changes based on any additional constraint. On October 1, 2018 the City submitted its input along with requests for minor updates to various land use codes, revisions to several data layers relating to transportation, and noting that a new FEMA flood zone map will be available shortly.

The City of Newport Beach’s appeal does not provide evidence that any of these constraints have changed since the City’s local input was provided.

Ultimately the RHNA Methodology has provided ample input opportunity regarding these constrained areas. However, locally-reviewed growth forecasts are not the only part of the RHNA methodology—additional units are assigned on the basis of job and transit accessibility in particular. There is no requirement for each part of the RHNA Methodology to consider each local planning factor.

In addition, while the jurisdiction has indicated it cannot accommodate units in these specific areas, no evidence has been provided that the jurisdiction cannot accommodate its RHNA allocation in other areas. The City provides a detailed analysis indicating that these constraints would restrict development in portions of Newport Beach – specifically the coastal zone limitations which are specific state programs consistent with this appeal basis (65584.04(e)(2)(C)). However, the presence of protected open space or other constrained areas alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere. Specifically, Government Code Section 65584.04(e)(2)(B) indicates that:

“...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...”

Moreover, in response to similar arguments made by the cities of Coronado and Solana Beach in their RHNA allocation appeals earlier this year,

“Coastal Commission Executive Director Jack Ainsworth said that while there are some constraints in the coastal zone related to increases in housing density around areas vulnerable to sea level rise and erosion, that doesn’t mean that there are not areas within the coastal zone where significant increases in housing density are possible. ‘To make a blanket statement that the Coastal Commission would not approve increases in housing density is simply not accurate,’ he wrote. ‘Over the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments.’”²

The California Coastal Act encourages the protection of housing opportunities for individuals of low and moderate incomes (Public Resources Code section 30604). Furthermore, the Coastal Act does not allow residential densities to be reduced (including projects making use of density bonuses) unless the density cannot feasibly be accommodated in conformity with the Local Coastal Program (Public Resources Code

² *San Diego County cities push back on state-mandated housing goals*, San Diego Union Tribune, January 14, 2020 (<https://www.sandiegouniontribune.com/business/growth-development/story/2020-01-14/sandag-housing>).

section 30604(f)). The Coastal Act also encourages the minimization of vehicle miles traveled (Public Resources Code section 30253(e)). In addition, in April 2020, the Coastal Commission recently issued new guidance on the “Implementation of New ADU [accessory dwelling units] Laws”.³

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s RHNA allocation based on this factor.

Issue 3: Availability of land suitable for urban development or for conversion to residential use [Section 65584.04(e)(2)(B)].

The City of Newport Beach contends that SCAG failed to adequately consider the information submitted pursuant to Government Code section 65584.04(b). Specifically, the City references 65584.04(e)(2)(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 City asserts that there is “little appropriate, available vacant land” to accommodate the draft RHNA allocation, further contending that the recent enactment of AB 1397 requires the City to demonstrate vacant land availability and that HCD’s site inventory guidebook requires the City to provide substantial evidence that existing uses will be discontinued during the planning period for inclusion.

The City provides an assessment of its:

- a.) available vacant land,*
- b.) existing non-vacant residential land,*
- c.) existing commercial/retail land,*
- d.) existing industrial land,*

and provides an evaluation of the density which could be needed to accommodate the Draft RHNA Allocation based on these constraints, suggesting that density at these levels may pose a public

³ Memo from John Ainsworth to Planning Directors of Coastal Cities and Counties dated April 21, 2020 re: Implementation of New ADU Laws (<https://documents.coastal.ca.gov/assets/rflg/California%20Coastal%20Commission%20ADU%20Memo%20dated%20042120.pdf>).

health concern specifically considering the COVID-19 pandemic. The City contends that 161.0 acres of existing, developed, high value land would be needed to accommodate the Draft RHNA Allocation of 4,834 units at a density of 30 dwelling units per acre.

SCAG Staff Response: While Newport Beach contends that SCAG did not consider land availability pursuant to Government Code Section 65584.04(e)(2)(B), as described in Issue 2 above and in Attachment 1, these constraints were discussed at length and directly considered in SCAG’s 6th cycle RHNA methodology. However, locally-reviewed growth forecasts are not the only part of the RHNA methodology—additional units are assigned on the basis of job and transit accessibility in particular. There is no requirement for each part of the RHNA Methodology to consider each local planning factor.

Furthermore, Government Code section 65584.04(e)(2)(B) also states that SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in this section, is not restricted to vacant or any other type of site; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can and must consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

While zoning and capacity analysis is used to meet RHNA need, they should not be used to *determine* RHNA need at the jurisdictional level. Per the adopted RHNA Methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

The City does provide an evaluation of several other types of potentially available land, but in each case notes that such types of land conversion would be either uniquely challenging or result in density levels which are undesirable.

In particular, the City cites AB1397 as a series of new, additional constraints on development. While this legislation certainly increases requirements for demonstrating that a site is suitable for inclusion in RHNA, it does not, as Newport Beach asserts, “require the City to explicitly demonstrate the availability of vacant lands to accommodate future housing growth need.” On June 10, 2020, HCD released extensive guidelines for housing element site inventories which takes into account AB 1397’s changes⁴. A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, the guidelines indicate that (page 32):

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s RHNA Allocation. While it is up to the individual jurisdiction to determine the optimal density to accommodate its housing need, provided that a residential unit meets all California Building Health and Safety Code requirements there is not a maximum density limit that would result in a need to reduce a RHNA Allocation.

For these reasons, SCAG staff does not recommend a reduction on the basis of this factor.

Issue 5: Changed Circumstances [Government Code 65584.05(b)].

The City of Newport Beach argues that job losses related to the COVID-19 pandemic and slowing statewide population growth constitute changes in circumstance which merit a revision to the Draft RHNA Allocation.

SCAG Staff Response: SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.” (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall

⁴ See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report⁵ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term competitiveness or the region’s employment outlook for 2023-2045. As such, SCAG’s assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s Draft RHNA Allocation.

Secondly, population growth rates and housing need due to projected growth represent a very small portion of Newport Beach’s Draft RHNA Allocation. As described in more detail in Attachment 1, only 320 of Newport Beach’s total of 4,834 units (6.6%) are due to projected need, which consists of projected household growth plus an adjustment for vacancy. While some updated forecasts may indicate population growth slowing, the Department of Finance’s most recently released county-level population projections (series P2A, released on January 10, 2020) show Orange County’s population increasing from 3,228,519 in 2020 to 3,385,857 in 2030 (+4.9%) during the years which encompass the 6th cycle RHNA projection period. Furthermore, it is not demonstrated that a slowing of population growth rates is a significant and unforeseen change in circumstances—state growth rates have been persistently slowing⁶.

⁵ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

⁶ Further discussion of this trend can be found in Connect SoCal’s Demographics & Growth Forecast Technical Report at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579. Additionally, an illustration of a decade of downward revisions to DOF’s state fertility assumptions can be found in slide 3 of this

In February 2020 national home lending agency Freddie Mac’s Economic & Housing Research group prepared a national analysis of housing supply shortages titled “The Housing Supply Shortage: State of the States” (the Freddie Mac report). This information cannot now be considered for adjusting HCD’s regional housing needs determination. The RHNA statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

The defined timeframes are guided by the deadline for the housing element revisions for HCD’s RHNA determination and SCAG’s Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region’s existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This “determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

Without assessing the merits of the report, because the Freddie Mac report was not available during at the time HCD was determining regional housing need, it could not be considered then; and it cannot be considered now that the regional housing need has been determined. Furthermore, the Freddie Mac report is regional in nature and does not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was applied incorrectly to determine the jurisdiction’s share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction’s appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

Finally, Government Code Section 65584.04(g)(3) prohibits stable population numbers from the previous RHNA cycle as a justification or reduction in a jurisdiction’s share of regional housing need. Thus, the slow growth that is suggested occurring within the City from the conclusion of this particular state level study cannot be used as a basis to grant a reduction to the City’s Draft RHNA Allocation.

presentation at SCAG’s 29th Annual Demographic Workshop: https://scag.ca.gov/sites/main/files/file-attachments/demo29_panel0101.pdf

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's Draft RHNA Allocation based on changed circumstances.

Other: Limitations on growth

Beginning on page 27 of its appeal, Newport Beach also raises several issues which are not bases for appeal. These include:

- *Existing uses*
- *Development trends*
- *Market conditions*
- *Realistic development capacity*
- *Realistic capacity of nonvacant sites*
- *Substantial evidence requirement*

The discussion of Issue 2 above details how despite legislative changes, it is still permissible for Newport Beach to use a variety of types of non-vacant land to satisfy its Draft RHNA Allocation, and that there are many ways to provide substantial evidence of development capacity, including on nonvacant sites. These opportunities include alternative sites such as accessory dwelling units. HCD's comment letter regarding SCAG 6th cycle RHNA appeals details these opportunities further. Market conditions and the cost to develop and construct the allocated new housing units within a jurisdiction should not be considered by SCAG as a justification for a RHNA reduction since the RHNA Allocation does not provide a building quota or mandate. A local jurisdiction is only required to plan and zone for its determined housing need and is not required to develop the allocated units.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Methodology (City of Newport Beach)
2. Newport Beach Appeal and Supporting Documentation
3. Comments Received during the Comment Period

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Newport Beach had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Newport Beach's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁷ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁸ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Newport Beach, the anticipated number of households in 2020 was 39,952 and in 2030 was 40,240 (growth of 288 households, or 0.7%). In March 2018, SCAG staff and CDR

⁷ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁸ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff met with staff from the City of Newport Beach to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Newport Beach submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Newport Beach and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on

November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁹ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

⁹ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of Newport Beach

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Newport Beach received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Newport Beach as summarized in the data and calculations in the tables below.

Newport Beach city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	238
Percent of households who are renting:	43%
Housing unit loss from demolition (2009-18):	75
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,944
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	16.63%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,671,000
Share of region's job accessibility (population weighted):	0.56%
Jurisdiction's HQTAs population (2045):	16,131
Share of region's HQTAs population (2045):	0.16%
Share of population in low/very low-resource tracts:	4.25%
Share of population in very high-resource tracts:	85.62%
Social equity adjustment:	170%

Calculation of Draft RHNA Allocation for Newport Beach city	
Forecasted household (HH) growth, RHNA period:	238
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	7
Replacement Need	75
TOTAL PROJECTED NEED:	320
Existing need due to job accessibility (50%)	2348
Existing need due to HQTAs pop. share (50%)	660
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	1506
TOTAL EXISTING NEED	4514
TOTAL RHNA FOR NEWPORT BEACH CITY	4834
Very-low income (<50% of AMI)	1453
Low income (50-80% of AMI)	928
Moderate income (80-120% of AMI)	1048
Above moderate income (>120% of AMI)	1405

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 16,131 living within HQTAs, the City of Newport Beach represents 0.16% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Newport Beach’s median TAZ, it will be possible to reach 16.63% of the region’s jobs in 2045 within a 30-minute automobile commute (1,671,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 1506 units assigned to the City of Newport Beach.

Please note that the above represents only a partial description of key data and calculations which result in the Draft RHNA Allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF PASADENA

Hearing Date: January 11, 2021

The City of Pasadena has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Pasadena submits an appeal and requests a RHNA reduction of 2,047 units (of its draft allocation of 9,408 units). The grounds for appeal are as follows:

- 1) Application of adopted Final Methodology for the 6th Cycle RHNA - the City's share of regional housing need failed to meet the objectives of Affirmatively Furthering Fair Housing, regional jobs-housing balance, and attainment of regional greenhouse gas (GHG) emissions reduction targets.
- 2) Housing needs generated by the presence of a university campus within a jurisdiction - Fuller Theological Seminary changes in housing plans and student population.
- 3) Changed circumstances - Fuller Theological Seminary changes in housing plans and student population.

A. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 11, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011121fullagn_0.pdf?1609868354). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted RHNA methodology, sufficient evidence was not provided to demonstrate that SCAG's application of the adopted Final RHNA Methodology to determine the City of Pasadena's share of regional housing need was improper. Furthermore, HCD found that the RHNA methodology furthered the RHNA objectives.

- 2) and 3) Regarding change in circumstances and housing needs generated by the presence of a university, it is assumed that any projected decline in the college student population in Pasadena was reflected when the City provided local input on household growth in support of the SCAG Growth Forecast development process. No evidence was submitted that the lower- and moderate-income household projections for the City of Pasadena have changed since the time of the Growth Forecast local input process. Additionally, it was not sufficiently demonstrated that the current reduction in student enrollment at the Fuller Seminary will be a permanent condition that will not change during the eight-year RHNA cycle.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal on the Draft Allocation for the City of Pasadena

RECOMMENDED ACTION:

Deny the appeal filed by the City of Pasadena (the City) to reduce its Draft RHNA Allocation from 9,408 housing units to 7,361 units, a reduction of 2,047 units (21.8 percent).

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

SUMMARY OF APPEAL:

The City of Pasadena requests a reduction of its RHNA allocation of 9,408 residential units based on the following issues:

- 1) Application of adopted Final Methodology for the 6th Cycle RHNA - Determination of the City's share of regional housing need in accordance with Affirmatively Furthering Fair Housing objectives, regional jobs-housing balance, and attainment of regional greenhouse gas (GHG) emissions reduction targets.
- 2) Housing needs generated by the presence of a university campus within a jurisdiction - Fuller Theological Seminary.
- 3) Changed circumstances - Fuller Theological Seminary changes in housing plans and student population.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Pasadena (Final Determination of Appeals Decisions)

RATIONALE FOR STAFF RECOMMENDATION:

SCAG staff has reviewed the appeal submitted by the City of Pasadena and recommends no change be made to the City's RHNA allocation.

Issue 1: The appeal based on an improper application of the adopted RHNA methodology is not accepted because sufficient evidence was not provided to demonstrate that SCAG's application of the adopted Final RHNA Allocation Methodology to determine the City of Pasadena's share of regional housing need was improper.

Issues 2 and 3: The appeal based on a change in local circumstances was not demonstrated to be a justifiable factor for reducing the City's RHNA Allocation. It is assumed that any projected decline in the college student population in Pasadena was reflected when the City provided local input on household growth in support of the SCAG Growth Forecast development process. No evidence was submitted that the lower- and moderate-income household projections for the City of Pasadena have changed since the time of the Growth Forecast local input process. Additionally, it was not sufficiently demonstrated that the current reduction in student enrollment at the Fuller Seminary will be a permanent condition that will not change during the eight-year RHNA cycle.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, each local jurisdiction in the SCAG region received its draft RHNA allocation on September 11, 2020. A summary of the draft RHNA allocation for the City of Pasadena is provided below.

Total RHNA Allocation for the City of Pasadena: 9,408 units

Very Low Income: 2,740 units

Low Income: 1,659 units

Moderate Income: 1,562 units

Above Moderate Income: 3,447 units

Additional background information related to the Draft RHNA Allocation for the City of Pasadena is included in Attachment 1.

Summary of Comments Received During 45-day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in

Government Code section 65584.05(c) specifically regarding the appeal filed by the City of Pasadena. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

The City of Pasadena argues that the application of the adopted RHNA methodology failed to meet one of the primary objectives of State housing law – increasing the supply of housing throughout the region in an equitable manner (per Government Code Section 65584(d)(1). The City's appeal documentation provides a set of data points for jurisdictions in the San Gabriel Valley and Arroyo Verdugo subregions including housing affordability, jobs housing ratios, cost-burdened households, percentage of extremely low-income residents, race and ethnicity, ownership rates, vacancy rates, overcrowding, and permits issued. The City contends that several of these data points for neighboring jurisdictions indicate that some of these surrounding cities have maintained economic exclusivity and racial homogeneity and have not adequately provided their fair share of the regional housing burden, particularly for lower income housing need.

Furthermore, the City argues that its Draft RHNA Allocation places an inequitable share of the San Gabriel Valley and Arroyo Verdugo subregional housing burden onto a city that has been proactive toward meeting its housing and housing diversity needs, and specifically, its affordable housing needs. By contrast, several of the City’s neighboring jurisdictions have been significantly less attentive to accommodating their fair share of regional and subregional housing need. The application of the RHNA methodology has served to reward jurisdictions that have historically neglected housing diversity objectives while penalizing cities, like Pasadena, which have produced a diversity of housing. The application of the RHNA methodology therefore fails to achieve the objective of equitable distribution.

The City also argues that the adopted RHNA methodology’s redistribution of residual need within each county, as opposed to within each subregion, is inconsistent with the RHNA and Connect SoCal objectives to achieve jobs/housing balance, reduce vehicle miles traveled, and attain greenhouse gas (GHG) emission reduction targets.

SCAG Staff Response: As described above and in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors whereby housing need would be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA Methodology was found by HCD to further the five statutory RHNA objectives¹ largely due to its use of objective factors. As such, SCAG may not consider these factors differently from one jurisdiction to another.

An example of an improper application of the adopted Methodology that may be eligible for appeal might be a data error identified by a local jurisdiction. The regional determination establishing the total number of housing units to be allocated to the SCAG region for the 6th RHNA cycle was set by HCD and is not subject to appeal by SCAG or its constituent jurisdictions.

Ultimately, the Draft RHNA Allocation is the result of applying the policy direction provided by SCAG’s Regional Council (conducted in order to be consistent with the five statutory objectives of

¹ The five RHNA objectives are: 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 (Govt. Code § 65584(d)).

RHNA) and applying this to all local jurisdictions. Whether a jurisdiction’s Draft RHNA Allocation is higher or lower depends on these factors as reflected in the data (see Attachment 1 for further details) – principally its growth forecast, job access, and transit access. While the City provides several datapoints on a variety of factors, some of these factors have already been specifically addressed at the regional level as part of the regional determination, while others were not included in the adopted Methodology. The City’s Draft RHNA Allocation is the outcome of the policy factors in the adopted RHNA methodology used to allocate RHNA, which was applied in a consistent manner to all SCAG jurisdictions.

Furthermore, the distribution of residual need from disadvantaged communities at the county-level is consistent with the adopted RHNA Methodology and HCD has further provided its findings that the adopted Methodology, including this distribution mechanism, furthers the objectives of State housing law. Attachment 1 provides more information regarding HCD’s review of the draft RHNA methodology), including HCD’s comment:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

The adopted Final RHNA Methodology was developed through an extensive public process that culminated in its adoption in March 2020. The City’s appeal does not provide any evidence that the adopted Final RHNA Methodology was inconsistently applied for Pasadena. This basis for appeal regards the application of the RHNA Methodology and not the adopted methodology itself, which was developed through an extensive public process that culminated in its adoption in March 2020. The City’s appeal does not provide sufficient evidence that this formula from the adopted Final RHNA Methodology was inconsistently or improperly applied in the determination of housing need for the City of Pasadena. For this reason, SCAG does not recommend a reduction to the City’s RHNA allocation based on this factor.

Issue 2: Housing needs generated by the presence of a university campus within a jurisdiction [Section 65584.04(e)(9)] and changed circumstances [Government Code Section 65584.05(b)].

The City indicates in its appeal that, at the time of the City of Pasadena’s General Plan adoption in 2015, the Fuller Theological Seminary was an integral part of the Pasadena community, and the Seminary’s 2006 Master Plan adopted by the City supported the college’s plan to build an additional 514 residential units for faculty and students, approximately 264 units of which have subsequently been built. However, Fuller officials have recently indicated that no new additional housing construction will occur on the campus, including the 250 additional housing units originally planned,

due to declining enrollment and a reduction in offered programs. The City asserts in its appeal that this planned additional campus housing was included in their growth projections and argues that this is a change in circumstances that will result in a reduced demand for lower-income and moderate-income housing units within the City of Pasadena. For this reason, the City requests its RHNA allocation be reduced by 250 units to reflect this change in circumstance.

SCAG Staff Response: With respect to changed circumstances, Government Code Section 65584.05(b) indicates:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. . . . Appeals shall be limited to any of the following circumstances: 3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.”

The City argues that the decision by the Fuller Theological Seminary not to develop the planned campus housing units due to declining enrollment and reduced housing need results in a change in circumstance that justifies a lower RHNA allocation. However, there is no evidence provided by the City in its appeal, such as an updated Master Plan adopted by the City (as it had done with the current one) to numerically support the assertion that these changes, including the decline in student population, will be completed by the end of the 6th RHNA cycle (October 2029). While the City indicates that there will be no additional new housing construction at the Fuller Seminary, this does not necessarily mean that the reduction in student population will occur soon after. If student enrollment does not decrease simultaneously to the stoppage in new housing construction, housing need for enrolled students will continue to exist regardless of housing supply.

Without documentation to support the assertions regarding: 1) Fuller’s decision not to construct the planned additional campus housing; 2) numerical changes in student enrollment; and 3) the dates of when the projected decline in student enrollment will occur (to show that the expected reduction in student enrollment will occur at exactly the same time as the anticipated reduction in housing supply planned to support it), SCAG is not able to recommend a reduction to the City’s Draft RHNA Allocation based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).



ATTACHMENT(S):

1. Attachment 1_Local Input and Development of Draft RHNA Allocation (City of Pasadena)
2. Attachment 2_Appeal Form and Supporting Documentation (City of Pasadena)
3. Attachment 3_Comments Received During the Comment Period (General)
4. Attachment 4_2045 HQTAs_Pasadena
5. Attachment 5_2045 Job Access_Pasadena

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Pasadena had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Pasadena’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.² Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Pasadena, the anticipated number of households in 2020 was 57,819 and in 2030 was 61,013 (growth of 3,194 households). In January 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of Pasadena on the growth forecast was received in October 2018. Following input, household totals remained unchanged.

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year planning period and requires that local jurisdictions make available sufficient zoning capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1:

https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book:

<https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Pasadena submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region's GHG emission reduction targets as provided by the California Air Resources Board (CARB) in accordance with state planning law.

Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at:

<http://spmdm.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Pasadena which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need”, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period and, “existing need”, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTa) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

3. Draft RHNA Allocation for the City of Pasadena

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and would not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.



Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Pasadena received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Pasadena as summarized in the data and calculations featured in the table below.

City of Pasadena Statistics and Inputs		Calculation of Draft RHNA Allocation for Pasadena	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	2,635	Forecasted household (HH) growth, RHNA period:	2,635
Percent of households who are renting:	56%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	92
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	7,540	TOTAL PROJECTED NEED:	2,727
Percent of regional jobs accessible in 30 minutes (2045): <i>(From the jurisdiction's median TAZ)</i>	12.86%	Existing need due to job accessibility (50%):	3,070
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,292,000	Existing need due to HQTAs pop share (50%):	3,035
Share of region's job accessibility (population weighted):	0.73%	Net residual factor for existing need:	577
		<i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTAs population (2045):	74,185	TOTAL EXISTING NEED:	6,681
Share of region's HQTAs population (2045):	0.73%	TOTAL RHNA FOR THE CITY OF PASADENA:	9,408
Share of population in low/very low-resource tracts:	27.98%	Very-low income (<50% of AMI):	2,740
Share of population in very high-resource tracts:	7.10%	Low income (50-80% of AMI):	1,659
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	1,562
		Above moderate income (>120% of AMI):	3,447

The transit accessibility measure is based on the population anticipated to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 74,185 living within HQTAs, the City of Pasadena

will represent 0.73 percent of the SCAG region's total 2045 HQT population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on job accessibility. From the City of Pasadena's median TAZ, it will be possible to reach 12.86 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,292,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective #5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered 'disadvantaged communities' (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as 'residual need', is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities in a manner consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 557 units assigned to the City of Pasadena.

Please note that the above represents only a partial description of the key data and calculations used in the adopted RHNA methodology to generate a jurisdiction's Draft RHNA Allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF PICO RIVERA

Hearing Dates: January 8, 22 and 25

The City of Pico Rivera has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

Attachment: Determination Regarding Appeal from the City of Pico Rivera (Final Determination of Appeals Decisions)

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(l) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Pico Rivera submits an appeal and requests a RHNA reduction of 3,251 units (of its draft allocation of 3,939 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) - the RHNA allocation does not meet the housing objectives and is unfair as it assigns the City a disproportionately higher amount of lower income units, based upon a flawed methodology that is inconsistent with regional growth forecasts.
2. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans - SCAG's RHNA methodology is inconsistent with the household growth projections determined in Connect SoCal Plan.
3. Sewer or water infrastructure constraints for additional development - adequate water supply capacity to accommodate the development of their RHNA allocation is not available.
4. Availability of land suitable for urban development or for conversion to residential use –
 - a. There is little vacant land suitable for residential uses and available sites may not meet AB 1397 requirements; and
 - b. Development within the City is constrained due to flood risks.
5. Changed circumstances - COVID-19 pandemic has affected the economy and housing dynamics resulting in a decrease need for housing.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 8, January 22, and January 25, 2021, at a noticed public hearing as continued by the Appeals Board. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by

reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph012521fullagn.pdf?1611371866>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal with respect to all the items listed below on the bases set forth in the staff report as follows:

1. Regarding application of the adopted Final RHNA Methodology, the RHNA statute vests HCD with the authority to decide whether statutory objectives were met by the RHNA Methodology, and HCD made this determination. Also, the City is challenging the adopted RHNA Methodology rather than the application of the methodology. Additionally, the City's allocation of low-income units was conducted pursuant to the final RHNA methodology and in a fair and consistent manner across all local jurisdictions.
2. Regarding distribution of household growth assumed for purposes of comparable Regional Transportation Plans, the jurisdiction's RHNA allocation was assigned in a manner consistent with the development pattern in Connect SoCal.
3. Regarding sewer or water infrastructure constraints for additional development, evidence from a utility service provider that would preclude the construction of new housing was not demonstrated.
4. Regarding availability of land suitable for urban development or for conversion to residential use –
 - a. The City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

development, and increased residential densities to accommodate need. AB 1397 does not preclude consideration of all non-vacant sites.

5. Regarding changed circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

Based upon SCAG’s adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, and SCAG’s revised recommendation, the RHNA Appeals Board hereby partially grants the appeal only with respect to the issue summarized below, resulting in a modified RHNA allocation of 1,022 units for the City of Pico Rivera (reduced from the draft allocation of 3,939 units):

4. Availability of land suitable for urban development or for conversion to residential use –
 - b. The City of Pico Rivera lies within the flood inundation area due to the potential failure and/or spillway path of the Whittier Narrows Dam. This elevated risk of flooding places property and lives at risk and therefore modification of the RHNA allocation is appropriate.

During the January 8th appeals hearing, the City presented additional information that was not included with its filed appeals including a Draft Environmental Impact Statement (EIS) regarding the Whittier Narrows Flood Control Project Dam Safety Modification Study (DSMS) that provides evidence of the potential for dam failure, risk of flooding, and risk to life.¹² This evidence was presented to demonstrate a constraint on availability of land suitable for urban development or for conversion to residential use and was submitted by the City on January 7, 2021 along with its presentation for the hearing. Because the City’s submittal on January 7, 2021 was inadvertently posted as a presentation

¹² The Final EIS was issued in May 2019.

and not posted as a public comment on the SCAG website prior to the hearing on January 8th, the public and the Appeals Board did not have access to the City’s submittal prior to the hearing on January 8, 2021. Therefore, the Appeals Board continued the hearing to January 22, 2021 to allow the public and the Appeals Board the opportunity to review the City’s submittal.

On January 11, 2021, prior to the January 22nd hearing, the City also submitted a 2015 Urban Water Management Plan (UWMP) which was adopted on June 28, 2016. While the EIS and UWMP were new information submitted in comment letters, the original appeal did mention potential dam failure as a concern and identified this study and also referred to the UWMP in the context of water supply constraints.¹³ Therefore, the submittals were considered as part of the Appeal.

Dam Safety Modification Study EIS

The EIS states:

"Through the [Dam Safety Modification Study or DSMS] process . . . the Corps determined that Whittier Narrows Dam does not meet the agency’s tolerable risk guidelines with respect to the annual probability of failure and the societal incremental life safety risk. The tolerable risk guidelines are exceeded due to the Dam’s anticipated performance during large, rare floods. The findings of the DSMS resulted in the Dam being classified as Dam Safety Action Classification (DSAC 1). The characteristic of DSAC 1 is that of extremely high incremental risk. The Corps considers this level of life or life safety risk to be unacceptable and warranting of Federal action."¹⁴

Section 65584.04(e)(2)(B) states in relevant part:

“The determination of available land suitable for urban development may exclude lands where FEMA has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.”

The US Army Corps of Engineers works under the direction of FEMA as a member of the federal team to support state and local governments in responding to major disasters.¹⁵ The Army Corps also has its own authority to directly respond to state and local needs related to flooding or coastal

¹³ Under Section 65584.05(d), the purpose of the public hearing is to “consider all appeals filed” and “all comments received” from HCD and local jurisdictions pursuant to Section 65584.05(c) (i.e., by December 10, 2020).

¹⁴ Whittier Narrows Dam Flood Control Project, Dam Safety Modification Study, FEIR at p. iii, https://www.spl.usace.army.mil/Portals/17/Users/170/50/1450/WNDS%20EIS%20Final%20Report_20190505jlc.pdf?ver=3jbZ-9xZ1T3qBq1cDUInwg%3d%3d.

¹⁵ See <https://www.usace.army.mil/Missions/Emergency-Operations/> and <https://www.usace.army.mil/Missions/Emergency-Operations/National-Response-Framework/>

emergencies under Public Law 84-99. The Army Corps' finding of extremely high life safety incremental risk would seem to meet the intent of this language, which is to exclude land that does not have adequate infrastructure (in this case the dam does not currently provide adequate protection) to avoid the risk of flooding.^{16, 17}

Based on the information submitted by the City and discussion with staff, the Appeals Board directed SCAG staff to work with the City to calculate a modified RHNA allocation for Pico Rivera limited to addressing flooding concerns associated with potential failure of the dam.

2015 Urban Water Management Plan

The UWMP does not support the statement that the jurisdiction's water provider has made a decision that will preclude the city from providing the necessary infrastructure for additional development during the planning period.

Modified RHNA Allocation

On January 23, 2021, the City submitted a letter proposing a modified RHNA allocation to address the flooding risk. The City proposed accommodating a modified RHNA allocation of 1,022 units along disaster routes (Evacuation Corridors) based on the following:

- The City applied HCD's tools and strategies in accommodating approximately 26% of its original RHNA allocation in areas of lower risk.
- The modified RHNA Allocation would distribute units among income categories in the same proportions as the original allocation: 296 units very low income (29%), 143 units low income (14%), 153 units moderate income (15%), and 430 units above moderate income (42%).
- The City indicates that they will continue to approve ADUs where allowed (one potential improvement could be to quantify ADU capacity in appropriate single-family residential areas).

¹⁶ The Dam Safety Modification Study indicates that the goal of the project is to remedy those dam safety concerns with construction expected to begin 2021 and estimated to take approximately 4 years (or half of the RHNA planning period). Once the improvements to the dam are implemented, the risk may be mitigated.

¹⁷ The City has shown a willingness to accept some risk as it reported the ability to accommodate their projected growth of 617 units and the ability to plan for 688 units in residential areas, all of which appear to be located within the flood zone and has not, itself, treated the potential risk of dam failure as a moratorium on residential projects within the City.

Given the City's land constraints with regard to flooding and risk of life, the City's revised analysis is reasonably comprehensive and is necessary to further the objectives of the RHNA statute set forth in Section 65584(d) by distributing units away from high risk locations in the same proportions of income as the draft allocation, on available land in infill locations along major transportation corridors that are in proximity to jobs and transportation infrastructure to the extent feasible and appropriate as identified by the City. SCAG will redistribute the remaining units from the City's original draft Allocation (2,917 units) back to the region in accordance with the Final RHNA Methodology.

Therefore, the RHNA Appeals Board finds and determines that it is appropriate and consistent with the SCAG Final RHNA Methodology to reduce the City's draft RHNA allocation to the amount of growth that can be accommodated in areas with reduced flood risk (i.e., in areas suitable for urban development along Evacuation Corridors) and redistribute the remaining units (3,521 units) to the region. The RHNA Appeals Board finds and determines that this reduction furthers the objectives of Government Code 65584(d) as it is compliant with the adopted Final RHNA Methodology, which was found by HCD to further those objectives.

II. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby partially denies and partially grants the City's appeal and finds that the City's revised RHNA allocation of 1,022 units (reduced from 3,939 units) is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 25, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Pico Rivera

RECOMMENDED ACTION:

Deny the appeal filed by the City of Pico Rivera (City) to reduce the Draft RHNA Allocation for the City by 3,251 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of Pico Rivera requests a reduction of its RHNA allocation by 3,251 units (from 3,939 units to 688 units) based on the following issues:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) - the RHNA allocation does not meet the housing objectives and is unfair as it assigns the City a disproportionately higher amount of lower income units, based upon a flawed methodology that is inconsistent with regional growth forecasts.
2. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans - SCAG's RHNA methodology is inconsistent with the household growth projections determined in Connect SoCal Plan.
3. Sewer or water infrastructure constraints for additional development - adequate water supply capacity to accommodate the development of their RHNA allocation is not available.
4. Availability of land suitable for urban development or for conversion to residential use - the City is constrained due to flood risks and there is little vacant land suitable for residential uses and available sites may not meet AB 1397 requirements.
5. Changed circumstances - COVID-19 pandemic has affected the economy and housing dynamics resulting in a decrease need for housing.

OUR MISSION

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OUR VISION

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Attachment: Determination Regarding Appeal from the City of Pico Rivera (Final Determination of Appeals Decisions)

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Pico Rivera's RHNA allocation. Regarding Issue 1, statute vests HCD with the authority to decide whether statutory objectives were met by the RHNA Methodology, and HCD made this determination. Also, the City is challenging the adopted RHNA Methodology rather than the application of the methodology. Additionally, the City's allocation of low-income units was conducted pursuant to the final RHNA methodology and in a fair and consistent manner across all local jurisdictions. Regarding Issue 2, the jurisdiction's RHNA allocation was assigned in a manner consistent with the development pattern in Connect SoCal. Regarding Issue 3, evidence from a utility service provider that would preclude the construction of new housing was not demonstrated. Issue 4 was not demonstrated to be an impediment to meeting Pico Rivera's RHNA allocation since AB 1397 does not preclude consideration of all non-vacant sites. Regarding Issue 5, evidence that COVID-19 reduces housing need for the entire RHNA planning period was not demonstrated. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence was provided indicating that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Pico Rivera: 3,939 units

- Very Low Income: 1,149 units
- Low Income: 562 units
- Moderate Income: 572 units
- Above Moderate Income: 1,656 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Pico Rivera. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA’s statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(1)].***

The City contends SCAG failed to determine Pico Rivera's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584 (d). Additionally, the RHNA allocation is unfair as it assigns the City a disproportionately higher amount of lower income units, based upon a flawed methodology that is inconsistent with regional growth forecasts.

SCAG Staff Response: SCAG’s adopted RHNA Methodology balanced a wide-range of policy and statutory objectives (i.e., the objectives set forth in Government Code section 65584(d)). For example, the methodology incorporates locally-envisioned growth from Connect SoCal, recognizes the importance of job and transit access in future housing planning, and demonstrates a commitment to social equity in the form of the social equity adjustment and the reallocation of residual housing need in lower-resourced jurisdictions to higher-resourced jurisdictions.

With respect to the statutory objectives, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met. On January 13, 2020, HCD found that SCAG’s (then draft) 6th cycle methodology advanced all five statutory objectives of RHNA.

Regarding the amount of low income units assigned to the jurisdiction, a regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law,

which included allocation by income categories in order to promote equity across the region. The RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, to further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution in comparison to county distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories. As shown in Table 1, below, after the 150% equity adjustment, Pico Rivera’s Draft RHNA Allocation by income category is similar to the County’s distribution, and consistent with HCD’s regional determination by income category for the region.

Table 1: RHNA Allocation by Income Category

	Very-low Income	Low Income	Moderate	Above Moderate	Total Units
Region	26%	15%	17%	42%	1.34 million
Los Angeles County	26%	15%	16%	43%	813,082
Pico Rivera	28%	14%	15%	43%	3,939

However, an appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. Since the final calculation of income levels was conducted pursuant to the final RHNA methodology and in a fair and consistent manner across all local jurisdictions, SCAG staff does not recommend a reduction to the jurisdiction’s draft RHNA allocation based on this factor.

Regarding inconsistencies between RHNA and Connect SoCal’s regional growth forecasts, see SCAG Staff Response for Issue 2, below.

Issue 2: Distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Section 65584.04(e)(3)].

The City argues SCAG's RHNA methodology is inconsistent with the household growth projections determined in Connect SoCal. Specifically, the City's household growth projected over the 2045 forecast period in Connect SoCal results in an annual household growth of 66.5 households. The RHNA forecast growth amortized over the 8-year planning period results in growth of 492 housing units per year, which is 7.5 times above the Connect SoCal forecast. Therefore, the RHNA allocation is inconsistent with the 2045 growth forecast in Connect SoCal, which undermines the validity of the assumptions in the Draft RHNA Allocations and Government Code Section 65584(d)(1) by failing to provide the distribution of units in an equitable manner.

SCAG Staff Response: As described in Attachment 1, Pico Rivera’s RHNA Draft Allocation is comprised of projected and existing need components. The projected need component is primarily based on household growth in Connect SoCal, SCAG’s 2020-2045 Regional Transportation Plan which was fully adopted in September 2020. For Pico Rivera, this amount is 657 units. Small adjustments are made to account for future vacancy (16 units) and replacement need (23 units).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. As determined by HCD, a large share of the region’s housing need is based on factors other than future household growth and can be characterized as existing need. For Pico Rivera, this amounts to 3,283 units (83.3% of the City’s total need, see Attachment 1). These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e., “existing need”) and would not result in a change in regional population. SCAG’s RHNA methodology explicitly ensures that these units are allocated to jurisdictions across the region based on measures of transit and job accessibility such that future housing development can maximize the use of public transportation and existing infrastructure.

Ultimately, the Regional Transportation Plan/Sustainable Communities Strategy is a related, but separate process from the Regional Housing Needs Assessment. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. In contrast, the Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given, among other factors described above, the availability of zoned capacity. For further discussion see Attachment 1 as well as Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf

In summary, Pico Rivera’s RHNA allocation is consistent with the distribution of household growth envisioned in Connect SoCal and maximizes the opportunity to match future housing unit growth with public transportation and existing transportation infrastructure. For this reason, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

Issue 3: Sewer or water infrastructure constraints for additional development [Section 65584.04(e)(2)(A)].

The City argues it does not have adequate water supply capacity to accommodate the development of their RHNA allocation. Pico Rivera has a finite amount of water it can draw from the Central Basin, controlled by the Department of Water Resources, and is not permitted to draw the additional water supply that would be needed to accommodate the City's RHNA allocation. Based on the City's 2015 Urban Water Management Plan, the City's RHNA allocation represents a dwelling unit growth that will exceed the City's available water supply totals by 2023. The City contends that a realistic estimate of future growth need should be directly tied to the realistic water capacity available within the City of Pico Rivera as described in the City's Urban Water Management Plan.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water constraints mentioned by the jurisdiction, it is not evident that the respective water provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure to obtain the additional water supply necessary for its RHNA allocation. For this reason, SCAG staff does not recommend a housing need reduction based upon this planning factor.

Issue 4: Availability of land suitable for urban development or for conversion to residential use [Section 65584.04(e)(2)(B)].

The entire City of Pico Rivera lies within the Whittier Narrows Dam's flood inundation area. Due to the high risk of flooding in the event of a Dam failure, Pico Rivera is extremely limited in areas where it can plan for future housing in a manner that is safe for future residents. The City contends that a realistic estimate of future growth need should be directly tied to the amount of available land within the City of Pico Rivera, suitable for urban development that is not subject to the risk of flooding.

The City of Pico Rivera further contends it is almost entirely built out, with little vacant land suitable for residential uses. AB 1397 requires land inventory sites be "available" and may only include non-vacant sites with realistic development potential (Govt Code Section 65583). Because much of the City's acreage may not meet AB 1397 requirements, it cannot be counted in the City's available land inventory for purposes of determining the City's RHNA allocation. Specifically, the City is developed with public facilities, open space, and critical infrastructure used for water conservation and flood management that cannot be used for residential development per the Army Corps. Government Code requires that 2021-2029 Housing Elements analyze the lease structures of potential candidate housing sites, which disqualifies most of the City's industrial areas. Commercial and retail areas are

also unlikely to be redeveloped as they provide employment for the City. To meet the RHNA allocation the City will need to rely on infill development, primarily in existing residential areas. Given the amount of available vacant land, it is unreasonable to assume the City will be able to demonstrate that the opportunity exists to develop the required 3,939 units on infill properties over the 8-year planning period, pursuant to the analysis required under AB 1397.

SCAG Staff Response: Regarding the City’s risk of flooding, per Government Code 65584.04(e)(2)(B), “the determination of land available 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.” While SCAG staff does not dispute that there may be areas at risk of flooding in the jurisdiction, the jurisdiction has not provided evidence that an agency or organization such as FEMA has determined that flood management infrastructure is inadequate to avoid flood risk in these areas. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s draft RHNA allocation.

Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). ‘Available land suitable for urban development or conversion to residential use,’ as expressed in 65584.04(e)(2)(b), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of ‘available’ land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s 6th cycle RHNA allocation.

Indeed, AB1397, reiterates this concept and sets forth housing element site inventories which specifically include nonvacant sites. SCAG acknowledges that AB 1397 modifies the housing element update process in Government Code Section 65583 and requires stronger justification for using certain types of sites to meet RHNA need, particularly nonvacant sites. While these statutory changes have increased the extent of analysis or supportive policy required to demonstrate development likelihood, they do not preclude the consideration of non-vacant sites. For example,

page 25 of HCD's June 10, 2020 Housing Element Site Inventory Guidebook¹ covering Government Code Section 65583.2 states:

The inventory analysis should describe development and/or redevelopment trends in the community as it relates to nonvacant sites, i.e., the rate at which similar sites have been redeveloped. This could include a description of the local government's track record and specific role in encouraging and facilitating redevelopment, adaptive reuse, or recycling to residential or more intensive residential uses. If the local government does not have any examples of recent recycling or redevelopment, the housing element should describe current or planned efforts (via new programs) to encourage and facilitate this type of development (e.g., providing incentives to encourage lot consolidation or assemblage to facilitate increased residential-development capacity). The results of the analysis should be reflected in the capacity calculation described in Part C, above.

Thus, statute permits, and HCD has provided guidance on how, several approaches may be taken in order to demonstrate site suitability.

While the City provides a breakdown of the existing zoning and general uses within the City (i.e. open space, industrial, commercial, etc.), the inability to develop residential uses was not demonstrated at a parcel-level. The City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, alternative zoning and density, and accessory dwelling units. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need. For these reasons, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

¹ https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Issue 5: Changed Circumstances [Government Code Section 65584.05(b)].

COVID-19 presents an unforeseen change in circumstance that affects the City's economy and housing dynamics. While the City acknowledges the long-term impacts of COVID-19 on housing is unknown, it provides statistics to show that an above average portion of the population is choosing to cohabitate with other households or is unable to make rent payments. Economic hardships on homeowners, renters, cities, and developers will likely lead to a decreased demand for housing, as well as a decreased ability for the private market to create housing. The City's financial ability to assist in lower income housing production also decreased. Additionally, California is experiencing historically low growth trends with a "Freddie Mac" report from February 2020 indicating that California's shortage of housing units is 820,000, considerably lower than the 1.34 million provided by HCD for the SCAG region alone. Therefore, an inflated RHNA allocation will result in Pico Rivera and California drastically and incorrectly reshaping the housing landscape as opposed to organically responding to market trends.

SCAG Staff Response: SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.” (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG's Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document's long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report² outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e. the SCAG's region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region's long-term competitiveness or the region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

² See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. A temporary increase in co-habiting households, delayed rent payments due to financial hardships, or growth trends cannot be considered a decrease in housing need, since there is no evidence that these trends will persist for the entire RHNA planning period. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's Draft RHNA Allocation.

In February 2020 national home lending agency Freddie Mac's Economic & Housing Research group prepared a national analysis of housing supply shortages titled "The Housing Supply Shortage: State of the States" (the Freddie Mac report). This information cannot now be considered for adjusting HCD's regional housing needs determination. The RHNA statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

The defined timeframes are guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This "determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

Without assessing the merits of the report, because the Freddie Mac report was not available during at the time HCD was determining regional housing need, it could not be considered then; and it cannot be considered now that the regional housing need has been determined. Furthermore, the Freddie Mac report is regional in nature and does not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was

applied incorrectly to determine the jurisdiction's share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Pico Rivera)
2. Appeal Form and Supporting Documentation (City of Pico Rivera)
3. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Pico Rivera had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Pico Rivera's Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Pico Rivera, the anticipated number of households in 2020 was 16,778 and in 2030 was 17,526 (growth of 748 households). In May 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input was not received. The preliminary figures above were used by SCAG.

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Pico Rivera submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at

<http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Pico Rivera and incorporated them into the Growth Vision. The City of Pico Rivera's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on

November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTAs) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of Pico Rivera

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Pico Rivera received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Pico Rivera as summarized in the data and calculations in the tables below.

Pico Rivera city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	617
Percent of households who are renting:	33%
Housing unit loss from demolition (2009-18):	23
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,762
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	20.99%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,109,000
Share of region's job accessibility (population weighted):	0.52%
Jurisdiction's HQT population (2045):	20,254
Share of region's HQT population (2045):	0.20%
Share of population in low/very low-resource tracts:	13.98%

Share of population in very high-resource tracts:	0.00%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Pico Rivera city	
Forecasted household (HH) growth, RHNA period:	617
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	16
Replacement Need	23
TOTAL PROJECTED NEED:	657
Existing need due to job accessibility (50%)	2171
Existing need due to HQTAs pop. share (50%)	829
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	283
TOTAL EXISTING NEED	3283
TOTAL RHNA FOR PICO RIVERA CITY	3939
Very-low income (<50% of AMI)	1149
Low income (50-80% of AMI)	562
Moderate income (80-120% of AMI)	572
Above moderate income (>120% of AMI)	1656

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population 20,254 living within HQTAs, the City of Pico Rivera represents 0.20% of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Pico Rivera's median TAZ, it will be possible to reach 20.99% of the region's jobs in 2045 within a 30-minute automobile commute (2,109,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 283 units assigned to the Pico Rivera.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF RANCHO PALOS VERDES

Hearing Date: January 13, 2021

The City of Rancho Palos Verdes has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City’s Appeal

The City of Rancho Palos Verdes submits an appeal and requests a RHNA reduction of 54 units (of its draft allocation of 638 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA methodology for the 6th cycle RHNA (2021 – 2029) – the City’s job accessibility of 6.46% was incorrectly calculated and the number of jobs is overestimated.
2. Availability of land suitable for urban development or for conversion to residential use – the City does not have available land suitable for housing since 1,710 acres of land are designated as “Hazard”, “Open Space Hillside” and “Open Space Preserve”.
3. Lands protected from urban development under existing federal or state programs – failure to consider lands within Very High Fire Severity Zone and Natural Community Preservation Plans and Habitat Conservation Plans (NCCP/HCPs).

Other: The City contends that HCDs allocation is incorrect due to double counting.

B. Appeal Board Hearing and Review

The City’s appeal was heard by the RHNA Appeals Board on January 13, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City’s appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City’s bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City’s staff report including Attachment 1 to

the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011321fullagn_0.pdf?1609982874). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted Final RHNA methodology, the City has not provided evidence that job accessibility was incorrectly calculated.
- 2) Regarding availability of land suitable for urban development, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 3) Regarding lands protected from urban development under existing federal or state programs, the City has not provided evidence that it cannot accommodate zoning within areas designated as Very High Fire Severity (development has occurred throughout the City in spite of this risk), or areas near or within NCCP/HCPs, nor have they provided evidence that agencies who oversee said areas have rendered a decision that would prevent the jurisdiction to zone for additional housing.

Other: The City argues that HCD improperly calculated the RHNA allocation and provides a report by the Embarcadero Institute. While SCAG provided a response, in the staff report, a challenge to HCD's regional housing needs determination is not a basis for appeal since the Appeals Board has no authority to change HCD's determination.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 13, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager II,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Rancho Palos Verdes

RECOMMENDATION:

Deny the appeal filed by the City of Rancho Palos Verdes (the City) to reduce the Draft RHNA Allocation by 1,144 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Rancho Palos Verdes requests a reduction of its RHNA allocation by 54 units (from 638 units to 584 units) based on:

- 1) Application of the adopted Final RHNA methodology for the 6th cycle RHNA (2021 – 2029) – the City's job accessibility of 6.46% was incorrectly calculated and the number of jobs is overestimated.
- 2) Availability of land suitable for urban development or for conversion to residential use – the City does not have available land suitable for housing since 1,710 acres of land are designated as "Hazard", "Open Space Hillside" and "Open Space Preserve".
- 3) Lands protected from urban development under existing federal or state programs - failure to consider lands within Very High Fire Severity Zone and Natural Community Preservation Plans and Habitat Conservation Plans (NCCP/HCPs).

Other: The City contends that HCDs allocation is incorrect due to double counting.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Rancho Palos Verdes RHNA allocation.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Rancho Palos Verdes (Final Determination of Appeals Decisions)



Issue 1: The City has not provided evidence that job accessibility was incorrectly calculated. As such, SCAG staff does not recommend granting an appeal on this basis.

Issue 2: The City has not provided evidence that it could not identify opportunity areas to provide for additional housing. As such, SCAG staff does not recommend granting an appeal on this basis.

Issue 3: The City has not provided evidence that it cannot accommodate zoning within areas designated as Very High Fire Severity, or areas near or within NCCP/HCPs, nor have they provided evidence that agencies who oversee said areas have rendered a decision that would prevent the jurisdiction to zone for additional housing. As such, SCAG staff does not recommend granting an appeal on this basis.

Other: The City argues that HCD improperly calculated the RHNA allocation and provides a report by the Embarcadero Institute. While SCAG has provided a response, a challenge to HCD's regional housing needs determination is not a basis for appeal since the Appeals Board has no authority to change HCD's determination. As such, SCAG staff does not recommend granting an appeal on this basis.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA Allocation for the City of Rancho Palos Verdes: 638

Very Low Income: 253

Low Income: 139

Moderate Income: 125

Above Moderate Income: 121

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed

Attachment: Determination Regarding Appeal from the City of Rancho Palos Verdes (Final Determination of Appeals Decisions)

for the City of Rancho Palos Verdes. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029)
[Government Code Section 65584.05 (b)(2)].

The City of Rancho Palos Verdes argues that its job accessibility of 6.46% is incorrect. The City argues that SCAG overestimated the number of jobs by approximately 2,000 and reversed its job losses from a 11.6% decrease in 2015 to a 28% increase through 2045. The City believes that SCAG's earlier estimates suggest that jobs are decreasing in the City, but now assumes that the number of jobs in the City will increase through 2045. The City argues that the Connect SoCal 2016 employment data was incorrect and as a result the job increase found in the 2045 projection is overinflated as well. Further, the City states that they are in a region with very limited access to high-quality transit. They argue that with limited and even decreasing access to high-quality transit, the City's access to jobs is unlikely to change, and there appears to be no grounds to support the job increase found in the Connect SoCal Plan's 2045 projections.

SCAG Staff Response: SCAG's Growth Forecast is used as a basis to determine population, household, and employment growth at the regional and jurisdictional levels, and is used for the basis of Connect SoCal as well. The Growth Forecast was developed over the course of approximately two years, using a panel of experts and review from partners and local jurisdictions, which was also known as "local input." SCAG factored in the City's household growth, employment and other factors in the Growth Forecast for Connect SoCal, through the local input process.

The 6.46% job accessibility referenced in the City's appeal letter refers to the job accessibility which SCAG uses for RHNA purposes. It is the percentage of regional jobs accessible within a 30-minute AM peak automobile commute in 2045. Importantly, it includes jobs within this driving range both

inside and outside the City of Rancho Palos Verdes. With a total regional employment forecast in 2045 of 10,049,000 jobs, this percentage indicates that 649,000 jobs can be reached from Rancho Palos Verdes in 2045. This is based on SCAG’s growth forecast and the data provided by local jurisdictions – including 8,226 jobs in 2045 in Rancho Palos Verdes which are part of the forecast and which the City had several opportunities to review (See Attachment 1, Local Input and Development of Draft RHNA Allocation).

SCAG’s local profile reports use employment totals derived from the California Economic Development Department, InfoGroup, and SCAG’s modeling and forecasting. This report indicates 7,954 jobs in 2016, which precisely matches SCAG’s growth forecast for the City. SCAG forecasts modest job growth for the City from 2016-2045 of 272 jobs. The City contends that this figure “inexplicably” increased but fails to provide evidence that refutes these job totals or provide an alternative 2016 job total. Furthermore, the local input process provided the City with a review opportunity. Notwithstanding the City’s 2016 job total, the Final RHNA Methodology uses 2045 employment, and the City is not contesting the modest job growth projected (increasing by up to 272 jobs for a total of up to 8,226 jobs by 2045). Finally, and most importantly, the Final RHNA Methodology does not rely on the job total within a jurisdiction. Even if SCAG had projected zero jobs in Rancho Palos Verdes in 2045, the number of jobs accessible to residents of the City in 2045 within a 30 minute AM automobile commute would only decrease from approximately 649,000 to 641,000 resulting in a negligible reduction in the City’s RHNA job accessibility measure.

Further, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives¹ in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another.

SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make

¹ The objectives are: 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 (Govt. Code § 65584(d)).

any changes to HCD's regional housing needs determination. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

It's important to note that while Connect SoCal focuses on "projected need", the 6th Cycle RHNA factors both "projected need" and "existing need". "Projected need" is intended to accommodate the growth of population and households between 2021-2029, and "existing need" reflecting additional latent housing needs in the existing population. On January 13, 2020, HCD's finding that SCAG's Draft RHNA Methodology (which was later adopted as the final RHNA methodology in March) furthered the statutory objectives of RHNA, reflected that the determination is separated into "projected need" and "existing need" components. Projected need is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan.

SCAG has allocated both "projected need" and "existing need" consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy ("Connect SoCal"). The Connect SoCal Forecasted Regional Development Pattern is shown on Exhibit 1 of the Sustainable Communities Strategy Technical Report, p. 13. Specifically, the development pattern includes priority growth areas, incorporated areas, job centers, entitled projects and sphere of influence which together would accommodate 95% of the growth till 2045. The development pattern is a reflection of the strategies and policies contained in Connect SoCal.

The "projected need" portion of the 6th Cycle RHNA is based on the Connect SoCal Growth Forecast and is consistent with the Connect SoCal development pattern. Specifically, each jurisdictional-level growth forecast of households is translated into "projected need" of housing units after adjusting for two factors of vacancy need and replacement needs.

The "existing need" portion is allocated in a manner consistent with the Connect SoCal development pattern. Specifically, based on SCAG's adopted RHNA methodology, "existing need" is allocated based on transit and job access (i.e., assign 50% based on jurisdiction's share of the region's population within HQTAs and 50% based on a jurisdiction's share of the region's jobs that can be accessed within a 30- minute commute). Accordingly, this allocation is aligned with the strategies and policies underlying the development pattern in the SCS.

Job accessibility is only one of the factors to used determine a jurisdiction's draft RHNA allocation. This is not a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction's residents, which includes jobs outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which calls for an approach to the region's job housing relationship through the measurement of access rather than number of jobs within a certain jurisdiction. Limiting a jobs housing balance solely within jurisdictions can effectively worsen a regional jobs housing balance.

As such, SCAG staff does not recommend a reduction/increase to the jurisdiction's draft RHNA allocation based on this factor.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City of Rancho Palos Verdes claims that SCAG failed to address the availability of land suitable for urban development or conversion to residential use. The City states that while there are 8,274 of land within the City of Rancho Palos Verdes, the City has determined that 1,710 acres of land are not suitable for urban development as those acres of land are designated as "Hazard", "Open Space Hillside" and "Open Space Preserve" by their Land Use Element. According to the City, development in land designated as "Hazard" are constrained as they're prone to active landslides and extreme slopes. Lands designated as "Open Space Hillside" and "Open Space Preserve" are meant to serve as open space buffers within the community, to protect sensitive plant and animal communities, and to provide opportunity for pass recreational uses. Furthermore, the City states that of the 6,564 acres available for urban development, 5,111 acres have already been developed as Urban Activity Areas; that is, sites that have been set-aside for some structured use that either directly or indirectly serve a function oriented to urbanization. Undeveloped acreage totals only 5% of all the acres within the City.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "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" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use," as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of "available" land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

"In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land." (HCD Letter at p. 2).

Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.² A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, the guidelines indicate that (page 32):

² See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth. While the City indicates that only 5% of its land is buildable, it does not provide evidence that it is unable to consider underutilization of these buildable sites, increased densities, and other planning tools to accommodate its assigned need, only that it is currently developed. As discussed above, SCAG is prohibited from limiting the consideration of suitable sites due to the City’s land use restrictions and is required to review alternative methods to meet housing need. As such, SCAG staff does not recommend a reduction to the City of Rancho Palos Verdes Draft RHNA Allocation based on this factor.

Issue 3: Lands protected from urban development under existing federal or state programs [Government Code Section 65584.04(e)(2)(C)].

The City of Rancho Palos Verdes claims that SCAG failed to consider lands preserved or protected from Urban Development Under Federal or State Programs, or both, designated to protect open space, farmland, environmental habitats, and natural resources on a long-term basis. According to the City, approximately 97% of Rancho Palos Verdes is located within the Very High Fire Severity Zone, as classified through the California Department of Forestry and Fire Protection. The City argues that this designation specifically requires that the City consider any additional developments that would increase density within the City, severely limiting the City’s ability to respond to its RHNA allocation.

Further, the City includes area of lands that are protected from development as a result of Federal and State programs. More specifically, the City has adopted a Natural Community Preservation Plan and Habitat Conservation Plan (NCCP/HCP or Plan). The City’s primary conservation strategy is to dedicate approximately 1,400 acres of habitat protection for the NCCP/HCP Preserve assembly. The City argues that the 1,400 acres of undeveloped vacant open space is encumbered with conservation easements and deed restrictions that prohibit development in perpetuity and should be factored in the RHNA allocation applied to the City.

SCAG Staff Response: SCAG does not dispute that the City (and other jurisdictions) are in areas that are at risk of wildfires. Nevertheless, development has occurred throughout the City regardless of fire risk. Further, the City has not provided evidence that an agency or organization such as the California Department of Forestry or Fire Protection and FEMA has determined housing is

unsuitable in these areas. Additionally, the jurisdiction has not provided evidence that it cannot plan for its assigned Draft RHNA Allocation in other areas of the jurisdiction that are not at risk for fire hazards.

With regards to lands dedicated towards habitat protection, it is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that these areas have changed since the most current input provided in October 2018. See also Attachment 1: Local Input and Development of Draft RHNA Allocation.

In addition, while the jurisdiction has indicated it cannot accommodate units in these specific areas, no evidence has been provided that the jurisdiction cannot accommodate its RHNA allocation in other areas. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

Other: HCD Calculation and RHNA Methodology.

The City argues that HCD improperly calculated the RHNA allocation and gave SCAG twice as many housing units than it should have. The City argues that a report by the Embarcadero Institute, "Double Counting in the Latest Housing Needs Assessment", provides evidence that the resulting legislation of SB 828 counted overcrowding and high housing costs twice, once as part of the household projections when multiplying estimated population by the headship rate, and then again a second time as an adjustment factor. The City argues that this has resulted in an additional 734,000 housing units being assigned to regional planning bodies throughout California, with SCAG absorbing a vast majority of the units.

SCAG Staff Response: SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. Pursuant to Government Code section 65584.05(b)(2), an appellant must show that SCAG failed to determine the share of regional housing need in accordance with the adopted Final RHNA Methodology. In other words, an appeal citing RHNA Methodology as its basis must appeal the application of the adopted Methodology, not the Methodology itself. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

SCAG's development of a consultation package to HCD regarding the regional housing needs determination took place during the first half of 2019. During this time SCAG extensively reviewed

a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and state. On March 27, 2019 SCAG convened a panel of fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, state statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

During both the consultation process and the filing of SCAG's formal objection to HCD's regional determination, SCAG extensively reviewed the issues brought up in these recent reports including a variety of indicators of housing backlog such as cost burden, overcrowding, demolition, and vacancy. In addition, SCAG has a well-developed program for forecasting population and household growth in the region which is conducted with the advice and collaboration of the state Department of Finance's forecasting staff. SCAG assessed the relationship between the measures used and not used in its analyses in order to avoid overlap ("double counting").

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. Following SCAG's formal objection filed on September 18, 2019, HCD did not materially change the regional determination, and there are no further mechanisms provided for in the statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process—namely the adoption of a Final RHNA Methodology, issuing a Draft RHNA Allocation, conducting an appeals process, and issuing final RHNA allocations.

A PowerPoint slide deck titled "Double counting in the latest housing needs assessment" was placed on the Embarcadero Institute's website during 2020 (last update September 2020)." Without commenting on the credibility or accuracy of this material, SCAG staff would note that in order for such materials to have been considered by HCD, they would have had to have been submitted by June of 2019. The RHNA statute provides defined timeframes guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing

and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This “determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

Furthermore, the materials presented by the Embarcadero Institute are regional in nature and do not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was applied incorrectly to determine the jurisdiction’s share of regional housing need. Because a regional study does not meet this criterion, this study cannot be used to justify a particular jurisdiction’s appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction’s draft RHNA allocation.

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s RHNA allocation based on these additional issues.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of RPV)
2. Appeal Form and Supporting Documentation
3. Data Input and Verification Form (City of RPV)
4. Regional Job Access
5. RPV Job Access
6. HCD Final 6th Cycle Housing Need Determination for the SCAG Region
7. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Rancho Palos Verdes had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Rancho Palos Verdes' Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS and later referred to as Connect SoCal) and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Rancho Palos Verdes, the anticipated number of households in 2020 was 15,801 and in 2030 was 16,008 (growth of 207 households). On April 24, 2018, SCAG staff met with staff from the City of Rancho Palos Verdes to discuss the Bottom-Up Local Input and Envisioning Process and answer

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

questions. Input from the City of Rancho Palos Verdes on the growth forecast was received in October 2018. Following input, household totals were 15,753 in 2020 and 15,781 in 2030, for a reduced household growth during this period of 28.

b. Submitted RHNA methodology surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Rancho Palos Verdes submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. The City of Rancho Palos Verdes' TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is

vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Final RHNA Methodology and Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the Covid-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Rancho Palos Verdes received its Draft RHNA Allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocations for the City of Ranch Palos Verdes as summarized in the data and in the tables below.

City of Rancho Palos Verdes Statistics and Inputs		Calculation of Draft RHNA Allocation for Rancho Palos Verdes	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	23	Forecasted household (HH) growth, RHNA period:	23
Percent of households who are renting:	20%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	1
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	93	TOTAL PROJECTED NEED:	24
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	6.46%	Existing need due to job accessibility (50%):	426
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	649,000	Existing need due to HQTAs pop. share (50%):	135
Share of region's job accessibility (population weighted):	0.10%	Net residual factor for existing need:	53
		<i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTAs population (2045):	3,297	TOTAL EXISTING NEED:	614
Share of region's HQTAs population (2045):	0.03%	TOTAL RHNA FOR THE CITY OF RANCHO PALOS VERDES:	638
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	253
Share of population in very high-resource tracts:	99.95%	Low income (50-80% of AMI):	139
Social equity adjustment:	180%	Moderate income (80-120% of AMI):	125
		Above moderate income (>120% of AMI)	121

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas

and population forecasts. With a forecasted 2045 population of 3,297 living within HQTAs, the City of Rancho Palos Verdes represents 0.03% of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Rancho Palos Verdes median TAZ, it will be possible to reach 6.46% of the region's jobs in 2045 within a 30-minute automobile commute (1,707,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 53 units assigned to the City of Rancho Palos Verdes.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF RANCHO SANTA MARGARITA

Hearing Date: January 19, 2021

The City of Rancho Santa Margarita has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscscag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Rancho Santa Margarita submits an appeal and requests a RHNA reduction of 426 units (of its draft allocation of 680 units). The grounds for appeal are as follows:

- 1) Availability of land suitable for urban development or for conversion to residential use – the City indicates that they have limited available land due to physical constraints including 71% of land within their jurisdiction is open space and 67% is within a high fire hazard area.
- 2) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans (RTPs) – the City claims their RHNA Allocation is not consistent with Connect SoCal's Growth Forecast projections.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 19, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna->

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

[abph011921fullagn.pdf?1610770557](https://scag.ca.gov/rhna-abph011921fullagn.pdf?1610770557)). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 2) Regarding distribution of household growth assumed for purposes of comparable Regional Transportation Plans (RTPs), the City did not provide evidence that its Draft RHNA Allocation determined in accordance with the adopted RHNA Methodology is inconsistent with the Connect SoCal growth forecast.

On January 15th, the City of Rancho Santa Margarita provided a letter elaborating on their arguments regarding available land and physical constraints. Under Section 65584.05(d), the purpose of the public hearing is to "consider all appeals filed" and "all comments received" from HCD and local jurisdictions pursuant to Section 65584.05(c) (i.e., by December 10, 2020); however, staff and the Appeals Board nevertheless considered the City's submittal as part of the appeals. The additional arguments contained in the letter do not provide evidence to change the conclusions of the staff report.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 19, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft Allocation for the City of Rancho Santa
Margarita

RECOMMENDED ACTION:

Deny the appeal filed by the City of Rancho Santa Margarita to reduce the Draft RHNA Allocation for the City of Rancho Santa Margarita by 426 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Rancho Santa Margarita requests a reduction of its RHNA allocation by 426 units (from 680 units to 254 units) based on the following:

- 1) Availability of land suitable for urban development or for conversion to residential use
- 2) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans (RTPs)

Other: The City also notes that it doesn't operate transit and is not located near any high quality transit areas (HQTAs).

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Rancho Santa Margarita RHNA Allocation. The City has not demonstrated that they cannot accommodate their RHNA Allocation in areas other than their open space and high fire risk areas. Furthermore, the City did not provide evidence that its Draft RHNA Allocation determined in accordance with the adopted RHNA Methodology is inconsistent with the Connect SoCal growth forecast.

Other: Rancho Santa Margarita was not assigned need based on population within HQTAs.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Rancho Santa Margarita (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Rancho Santa Margarita: 680 units
Very Low Income: 209 units
Low Income: 120 units
Moderate Income: 125 units
Above Moderate Income: 226 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Ranch Santa Margarita. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Availability of land suitable for urban development or for conversion to residential use [Govt. Code § 65584.04(e)(2)(B)].

The City of Rancho Santa Margarita claims that SCAG failed to consider physical constraints, lack of underutilized land and limited opportunities for infill development and increased residential densities in the City. Specifically, the City states that 71% of the land within the city is open space and 67% of the land within the city is in a high fire hazard area which is not suitable for additional development and residential dwelling units already occupy 66% of the remaining suitable land area.

SCAG Staff Response: It is presumed that planning factors such as open space have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that these areas have changed since the most current input provided as part of the RHNA methodology planning factor survey conducted in Spring 2019.

Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can and must consider other opportunities for development including the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that these areas have changed since the most current input provided in March 2018. While the City asserts that much of its current land uses are not available for development, it does not provide evidence that it is

unable to consider underutilization of other sites, increased densities, and other planning tools to accommodate its assigned need. Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.¹ A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs).² Specifically, the guidelines indicate that (page 32):

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

In addition, while the jurisdiction has indicated it cannot accommodate units in the indicated open space and high fire risk areas, no evidence has been provided that the jurisdiction cannot accommodate its RHNA Allocation in other areas. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere. The Wildfire Hazards Area map provided also indicates the urbanized core of Rancho Santa Margarita is not designated as a high fire risk zone. Rancho Santa Margarita has not provided evidence that it cannot plan for its assigned Draft RHNA Allocation in the urbanized core. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s RHNA Allocation based on this factor.

Issue 2: Distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Govt. Code § 65584.04(e)(3)].

The City of Rancho Santa Margarita states that SCAG failed to adequately consider information relevant to Local Planning Factors and Affirmatively Furthering Fair Housing (AFFH). Specifically, the City claims that their RHNA Allocation is not consistent with Connect SoCal’s Growth Forecast projections and the RHNA Methodology is a “one size fits all” approach.

SCAG Staff Response: The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both “projected need” and “existing need”. “Projected need” is intended to accommodate the growth of population and households between 2021-2029, and “existing need” reflects additional latent housing needs in the existing population. Projected need is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan. On January 13, 2020, HCD found that SCAG’s Draft RHNA Methodology (which was later adopted as the Final RHNA Methodology in March) furthered the statutory objectives of RHNA including the “projected need” and “existing need” components.

¹ See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

² See also, Accessory Dwelling Unit Handbook, HCD, September 2020 at <https://www.hcd.ca.gov/policy-research/docs/adu-ta-handbook-final.pdf>.

SCAG has allocated both “projected need” and “existing need” consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). The Connect SoCal Forecasted Regional Development Pattern is shown on Exhibit 1 of the Sustainable Communities Strategy Technical Report, p. 13. Specifically, the development pattern includes priority growth areas, incorporated areas, job centers, entitled projects and sphere of influence which together would accommodate 95% of the growth till 2045. The development pattern reflects the strategies and policies contained in Connect SoCal.

The “projected need” portion of the 6th Cycle RHNA is based on the Connect SoCal Growth Forecast and is consistent with the Connect SoCal development pattern. Specifically, each jurisdictional-level growth forecast of households is translated into “projected need” of housing units after adjusting for two factors of vacancy need and replacement needs.

The appeal argues the regional need of 1.3 million units is inconsistent with the growth projections of the adopted Connect SoCal Plan, and therefore the land use distribution, transportation assumptions, and sustainable strategies of Connect SoCal are completely out of sync with the rate of growth needed to accommodate the RHNA. However, the “existing need” portion, which represents needs of the existing population, is allocated consistent with the Connect SoCal development pattern. Specifically, based on SCAG’s adopted RHNA methodology, “existing need” is allocated based on transit and job access (i.e., assign 50% based on jurisdiction’s share of the region’s population within HQTAs and 50% based on a jurisdiction’s share of the region’s jobs that can be accessed within a 30- minute commute). Accordingly, this allocation is aligned with the strategies and policies underlying the development pattern in the SCS, particularly focusing on a regional jobs/housing balance to reduce commute times and distances and plan for growth near transit investments³.

In summary, SCAG’s RHNA methodology and the City’s Draft RHNA Allocation (which includes “existing need” and “projected need”) are consistent with Connect SoCal. For this reason, SCAG staff does not recommend a reduction to Rancho Santa Margarita’s Draft RHNA Allocation based on this factor.

Other: *In addition to the issues presented which are the basis of an appeal, the City of Rancho Santa Margarita also notes that it does not operate public transportation systems and is not located near any high quality transit areas so any new housing units in the City would not maximize the use of public transportation, therefore SCAG should not allocate more housing units for the City based on that factor.*

³Adopted 2020-2045 Connect SoCal Plan, page 49: https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial-plan_0.pdf?1606001176

SCAG Staff Response: The adopted Final RHNA Methodology includes a component that calculates need based on a jurisdiction's population within an HQTAs. HQTAs are areas that are a within certain distance of transit stations that meet the definition of frequent service or type of service as defined in SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), also known as Connect SoCal. The use of the Connect SoCal Growth Forecast, which includes population within existing and planned HQTAs, in determining the RHNA component of population within HQTAs is a direct linkage to the regional transportation plan, strengthening the consistency between the two regional plans.

Using the calculation from the RHNA Methodology, the City of Rancho Santa Margarita was not assigned need based on population within an HQTAs, and thus its Draft RHNA Allocation was not assigned need based on this factor. For this reason, SCAG staff does not recommend a reduction to Rancho Santa Margarita's Draft RHNA Allocation based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Rancho Santa Margarita)
2. Map of HQTAs in the City of Rancho Santa Margarita (2045)
3. Map of Job Accessibility in the City of Rancho Santa Margarita (2045)
4. Comments Received During the Comment Period (General)
5. Appeal Form and Supporting Documentation (City of Rancho Santa Margarita)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Rancho Santa Margarita had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Rancho Santa Margarita's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁴ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁵ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Rancho Santa Margarita, the anticipated number of households in 2020 was 16,813 and in 2030 was 16,863 (growth of 50 households). In March 2018, SCAG staff and CDR staff

⁴ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

⁵ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

met with staff from the City of Rancho Santa Margarita to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Rancho Santa Margarita submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Rancho Santa Margarita and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be

used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scaq.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁶ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁶ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Rancho Santa Margarita

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Rancho Santa Margarita received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Rancho Santa Margarita as summarized in the data and calculations in the tables below.

Rancho Santa Margarita city statistics and inputs:		Calculation of Draft RHNA Allocation for Rancho Santa Margarita city	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	41	Forecasted household (HH) growth, RHNA period:	41
Percent of households who are renting:	29%	Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	1
Housing unit loss from demolition (2009-18):	1	Replacement Need	1
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	181	TOTAL PROJECTED NEED:	43
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	5.55%	Existing need due to job accessibility (50%)	424
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	558,000	Existing need due to HQTAs pop. share (50%)	0
Share of region's job accessibility (population weighted):	0.10%	Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	212
Jurisdiction's HQTAs population (2045):	-	TOTAL EXISTING NEED	636
Share of region's HQTAs population (2045):	0.00%	TOTAL RHNA FOR RANCHO SANTA MARGARITA CITY	680
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI)	209
Share of population in very high-resource tracts:	27.78%	Low income (50-80% of AMI)	120
Social equity adjustment:	150%	Moderate income (80-120% of AMI)	125
		Above moderate income (>120% of AMI)	226

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With no forecasted 2045 population of living within HQTAs, the City of Rancho Santa Margarita does not represent any of the SCAG region's HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Rancho Santa Margarita’s median TAZ, it will be possible to reach 5.55% of the region’s jobs in 2045 within a 30-minute automobile commute (558,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 212 units assigned to the City of Rancho Santa Margarita.

Please note that the above represents only a partial description of key data and calculations which result in the Draft RHNA Allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF REDONDO BEACH

Hearing Date: January 13, 2021

The City of Redondo Beach has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Redondo Beach submits an appeal and requests a RHNA reduction of 419¹¹ units (of its draft allocation of 2,483 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th cycle RHNA (2021-2029)*
2. Existing or projected jobs-housing balance*
3. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans*

* The City indicates that SCAG incorrectly applied the adopted Final RHNA Methodology for the region and made a population forecasting error. However, the argument is based on changes to the adopted Final RHNA Methodology including additional local factors, corrections to HQTAs projections, redistribution of units to neighboring cities, and revisions to the allocation methodology based on the Embarcadero and/or Freddie Mac Reports. Also, there is no mention of the distribution of household growth assumed for the purposes of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal).

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 13, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹² (other attachments to the staff report may be found in the

¹¹ The city clarified their request in the hearing, indicating that other numbers were based on two different studies (Freddie Mac Study and Embarcadero Study).

¹² Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011321fullagn_0.pdf?1609982874). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1), 2) and 3) Regarding the application of the adopted Final RHNA Methodology, jobs-housing balance, and distribution of household growth, the City's arguments all relate to the regional determination which is not a basis for appeal per adopted RHNA Appeals Procedures; as explained more fully in the staff report, SCAG did not make an error in forecasting the 2045 HQT population for the City of Redondo Beach.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 13, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager II,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Redondo Beach

RECOMMENDATION:

Deny the appeal filed by the City of Redondo Beach to reduce the Draft RHNA Allocation by 1,539 or 1,279 units.^{1,2,3}

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Redondo Beach requests a reduction of its RHNA allocation by units (from 2,483 units to 944 or 1,204 units) based on:

1. Application of the adopted Final RHNA Methodology for the 6th cycle RHNA (2021-2029)*
2. Existing or projected jobs-housing balance*
3. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans*

* The City indicates that SCAG incorrectly applied the adopted Final RHNA methodology for the region and made a population forecasting error. However, the argument is based on changes to the adopted Final RHNA Methodology including additional local factors, corrections to HQTAs projections, redistribution of units to neighboring cities, and revisions to the allocation methodology based on the Embarcadero and/or Freddie Mac Reports. Also, there is no mention of

¹ The City of Redondo Beach requested two different RHNA appeal numbers based on two different studies (Freddie Mac Study and Embarcadero Study).

² Based on the Freddie Mac Study, Redondo Beach requests a reduced RHNA allocation by 1,539 units

³ Based on the Embarcadero Study, Redondo Beach requests a reduced RHNA allocation by 1,279 units

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

the distribution of household growth assumed for the purposes of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal).

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Redondo Beach RHNA allocation because the regional determination is not a basis for appeal per adopted RHNA Appeals Procedures and SCAG did not make an error in forecasting the 2045 HQT population in the City of Redondo Beach.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA Allocation for the City of Redondo Beach: 2,483

Very Low Income: 933

Low Income: 507

Moderate Income: 489

Above Moderate Income: 554

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Redondo Beach. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating

appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issues 1, 2 and 3: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)]; existing or projected jobs-housing balance [Government Code Section 65584.04(e)(1)]; and distribution of household growth assumed for purposes of comparable regional Transportation Plans [Section 65584.04(e)(3)].

The City of Redondo Beach argues that SCAG incorrectly applied the adopted Final RHNA Methodology throughout the Region. The City requests that SCAG revise its allocation methodology based on the following:

Additional Local Factors: The City requests that additional “local factors” be incorporated into the RHNA methodology. The City requests that SCAG add the following:

- Consider a “Local Zoning Factor”
- Consider a “Local Density Factor”
- Consider revising the “Jobs-to-Household Ratio Factor”

Correction to HQTAs Population Forecast: The City requests that SCAG apply corrections to data fields used for to calculate Redondo Beach’s Projected 2045 HQTAs Population:

- SCAG cites Redondo Beach’s Projected 2045 HQTAs Population as 10,653
- The City requests that SCAG readjust the projected population to 8,197

Unfair Distribution of RHNA when compared to neighboring jurisdictions: The City argues that the RHNA methodology does not lead to an estimate that is equitably distributed to area municipalities adjacent to and nearby the City of Redondo Beach. For example, the City of Redondo Beach received a distribution rate of 8.0% while Hermosa Beach received a distribution rate of 5.5%. The City requests that neighboring jurisdictions receive an allocation consistent with the average of 7.0%.

Embarcadero and Freddie Mac Reports: The City cites a Freddie Mac report which indicates that the entire state California has a shortage of 820,000 housing units, which is lower than the 1.34 million provided by HCD for the SCAG region alone. The City argues that based on the findings provided by Freddie Mac Report, their allocation should be reduced from 2,483 to 944 units.

The City also cites the Embarcadero report which argues that HCD used the wrong assumptions for existing housing need, vacancy rate, overcrowding and cost burdening. The City argues that based on the Embarcadero calculation, a proportional reduction of 651,000 units (48.5%) for the region is

warranted. Based on the Embarcadero calculation, the City argues that their allocation should be reduced from 2,483 to 1,204 units.

SCAG Staff Response: SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs assessment. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

With respect to the statutory objectives⁴, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another. The Final RHNA Methodology is not grounds for an appeal, only its application may be appealed.

Additional Local Factors: As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail.

⁴ The objectives are: 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 (Govt. Code § 65584(d)).

High Quality Transit Area (HQTAs) Population Forecast: SCAG did not make an error in the 2045 HQTAs population forecast; the correct 2045 HQTAs population as assessed pursuant to the adopted Final RHNA Methodology is 10,653 people and not 8,197 people. Note also that the map that Redondo Beach included in their appeal misstates SCAG's assessment of 2045 HQTAs population as 12,357 people. The adopted final RHNA methodology includes a component that calculates need based on a jurisdiction's population within an HQTAs in 2045 in Connect SoCal, SCAG's 2045 RTP/SCS. For planning and SCS purposes, SCAG identifies a "high quality transit area" as generally a walkable transit village or corridor that is within one-half mile of a major transit stop or High-Quality Transit Corridor (HQTC) as defined in Government Code 21155(b) and 21064.3 excluding freeway transit corridors with no bus stops on the freeway alignment. SCAG's technical methodology for identifying HQTCs and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor's Office of Planning and Research.

SCAG's definition of high-quality transit corridors is found in Appendix A of Connect SoCal's Transit Technical Report (Attachment 7) and indicates that:

Planned HQTCs and major transit stops are future improvements that are expected to be implemented by transit agencies by the RTP/SCS horizon year of 2045. These are assumed by definition to meet the statutory requirements of an HQTC or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCs with the adoption of a new RTP/SCS, once every four years.

However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS is updated by SCAG and as such it is understood that planned transit projects are subject to further project-specific evaluation, but that is the nature of the long range planning process. While there is an inherent chance that transit agencies may change future plans, ultimately SCAG's adopted final RHNA methodology uses this definition of 2045 HQTAs in order to better align future housing with anticipated future transit. Please refer to the attached map shows the 2045 HQTAs boundaries for the City of Redondo Beach which were used in Connect SoCal.

Furthermore, the RHNA process, as defined in Government Code 65584 et seq., specifies that a council of government's regional housing needs allocation plan shall further several objectives. While transit accessibility is not explicitly referenced, promoting housing development on the basis of HQTAs in a jurisdiction is consistent with objectives related to infill development and intraregional jobs-housing relationships.

The use of HQTAs is an effort to better align transportation and housing planning. The statutory basis underlying the delineations of high-quality transit as well as the extensive review process undertaken for the SCS provide a strong, established basis for additional use in housing planning.

The use of HQTAs for allocating housing needs also requires an additional step beyond the delineation of HQTAs. While an HQTA covers a certain share of a city's area, this is not necessarily reflective of urbanized land area, developable land area, or a measure otherwise related to future housing accommodation.

In order to estimate the population of each city which lies within each HQTA boundary, SCAG uses small area forecast data provided through the Bottom-Up Local Input and Envisioning Process. While the transportation analysis zone (TAZ) geography is more commonly used, SCAG's forecast contains a higher degree of accuracy and is associated with local general plans down to the parcel level. In addition, TAZs contain an average of 2,000 residents across the region and as such not sufficiently accurate for measuring anticipated population within a precisely defined HQTA. As such, SCAG relies on forecasted population from Connect SoCal in Scenario Planning Zones (SPZs) to associate with HQTA boundaries using area-weighted interpolation. As SPZs are approximately 1/10th the size of TAZs, this is the most accurate method that could be devised to estimate future populations in bespoke areas across a large region using locally reviewed input data.

The attached map (See Attachment 6) shows SPZs in Redondo Beach by population and overlays this information with the HQTAs within the city. 42 SPZs lie fully within HQTA boundaries, totaling 8,400 people. An additional 20 SPZs totaling 3,931 people lie partially within HQTA boundaries—this population is proportionally allocated to HQTAs based on how much of each SPZ's land area is within HQTA boundaries. These data are equivalent to the small-area population forecast data in Connect SoCal's Growth Vision (discussed further in Attachment 1), which for Redondo Beach matches the data provided by the City during the Bottom-Up Local Input and Envisioning Process. This results in 10,653 people being assessed as within HQTA boundaries in Redondo Beach.

It is certainly possible to develop different techniques to measure the population within the same HQTA boundary. Redondo Beach appears to total the number of dwelling units within HQTA boundaries and apply a city-wide population-to-household (P:H) ratio of 2.34 to derive a lower estimate of 8,197 people within HQTAs⁵. SCAG's approach applies P:H ratios which are developed and reviewed (by the City and by SCAG) at the small area level instead of a city level. It is important to have regionally standardized approaches in all parts of the RHNA methodology in order to ensure that housing units are allocated fairly and consistently, and SCAG's approach is part of the adopted Final RHNA Methodology.

⁵ This P:H ratio matches the 2045 ratio found in Connect SoCal's Demographics and Growth Forecast Technical Report for Redondo Beach (72,900 people and 31,100 households) - https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf

SCAG does not discount the possibility that locally developed approach with a modified methodology could result in a slightly different future year HQTAs population. However, Redondo Beach has not demonstrated that the process underlying the adopted Final RHNA Methodology for arriving at HQTAs population is in any way flawed. As noted above the Final RHNA methodology is not grounds for an appeal, only application of the methodology is grounds for an appeal.

Unfair Distribution of RHNA when compared to neighboring jurisdictions: The Growth Forecast information used as the basis for both the Connect SoCal Plan and the Draft RHNA Allocation was reviewed by local jurisdictions between October 2017 and October 2018, with additional refinements included until the release of the draft Connect SoCal Plan in December 2019. During the 120-day delay period after May 2020, local jurisdictions were given another opportunity to review the entitlement information. The final Connect SoCal Plan, including the data used as the basis for developing the Draft RHNA Allocation, was adopted in September 2020. The reliance on locally reviewed data ensures that the regional plan continues to reflect local conditions, including planning opportunities and constraints.

The Draft RHNA Allocation is the result of applying the policy direction from SCAG's Regional Council (conducted in order to be consistent with the five statutory objectives of RHNA), and applying this to all local jurisdictions. Whether a jurisdiction's Draft RHNA Allocation is higher or lower depends on these factors as reflected in the data (see Attachment 1 for further details) – principally its growth forecast, job access, and transit access. The City includes a table of seven nearby cities which compares their draft RHNA allocation versus their existing housing stock, arguing that Redondo Beach's RHNA number is unfairly high compared to its neighbors when making its comparison. However, the City's Draft RHNA Allocation is the outcome of the policy factors used to allocate RHNA. For example, while Rancho Palos Verdes has a lower draft RHNA allocation compared to its existing housing stock, this is because compared to Redondo Beach it has poorer job access (6.46% versus 11.89% of the region's future jobs accessible within 30 minutes) and less future population in HQTAs (0.03% of the region's versus 0.10%). As such, the methodology is applied equally – the underlying policy factors differ between these cities and RHNA as a percentage of existing housing stock is not a policy factor considered in SCAG's Final RHNA Methodology.

Embarcadero and Freddie Mac Reports: SCAG's development of a consultation package to HCD regarding the regional housing needs determination took place during the first half of 2019. During this time SCAG extensively reviewed a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and state. On March 27, 2019 SCAG convened a panel of

fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, the RHNA statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

The defined timeframes are guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This "determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

During both the consultation process and the filing of SCAG's formal objection to HCD's regional determination, SCAG extensively reviewed the issues brought up in these recent reports including a variety of indicators of housing backlog such as cost burden, overcrowding, demolition, and vacancy. In addition, SCAG has a well-developed program for forecasting population and household growth in the region which is conducted with the advice and collaboration of the state Department of Finance's forecasting staff. SCAG assessed the relationship between the measures used and not used in its analyses in order to avoid overlap ("double counting").

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. Following SCAG's formal objection filed on September 18, 2019, HCD did not materially change the regional determination following SCAG's formal objection filed on September 18, 2019, and there are no further mechanisms provided for in statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process—namely the adoption of a Final RHNA Methodology, conducting an appeals process, and issuing final RHNA allocations.

A report by Freddie Mac's Economic & Housing Research Group titled "The housing supply shortage: State of the states" was released in February 2020, and a slide deck titled "Double counting in the latest housing needs assessment" was placed on the Embarcadero Institute's website during 2020 (last update September 2020). Notwithstanding the merits (or lack thereof) of these studies, for such materials to have been considered by HCD, they would have had to have been submitted by June of 2019 as discussed above. Furthermore, as discussed above, SCAG's consultation package to HCD regarding the regional determination contained an extensive quantitative assessment of overcrowding, vacancy, and cost burden factors and a discussion of the issue of double-counting.

Additionally, these studies are regional in nature and do not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was incorrectly applied to determine the jurisdiction's share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Redondo Beach)
2. Appeal Form and Supporting Documentation
3. Data Input and Verification Form (City of Redondo Beach)
4. HCD Final 6th Cycle Housing Need Determination for the SCAG Region
5. Comments Received During the Comment Period (General)
6. SPZ Population in HQTAs of City of Redondo Beach
7. Final Connect SoCal Transit Technical Report

Attachment 1: Local Input and development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Redondo Beach had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Redondo Beach's Draft RHNA Allocation.

1. Local Input

a. *Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal) and the 6th cycle of RHNA.⁶ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁷ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Redondo Beach, the anticipated number of households in 2020 was 29,924 and in 2030 was 31,288 (growth of 1,364 households). On August 9, 2018, SCAG staff met with staff from the City of Redondo Beach to discuss the Bottom-Up Local Input and Envisioning Process and answer

⁶ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁷ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

questions. Input from the City of Redondo Beach on the growth forecast was received in September 2018. Following input, household totals were 29,410 in 2020 and 30,057 in 2030, for a reduced household growth during this period of 647.

b. RHNA methodology surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Redondo Beach submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. The City of Redondo Beach's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. The Final RHNA Methodology lays out the policy factors, data sources, and calculations used to generate draft RHNA allocations for all local jurisdictions. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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.*
- (4) Affirmatively furthering fair housing (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be

used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for their review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers these objectives set forth in Government Code Section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council, voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁸ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁸ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.



The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3.Final RHNA Methodology and Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the Covid-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Redondo Beach received its Draft RHNA Allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocations for the City of Redondo Beach as summarized in the data and in the tables below.

City of Redondo Beach Statistics and Inputs		Calculation of Draft RHNA Allocation for Redondo Beach	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	534	Forecasted household (HH) growth, RHNA period:	534
Percent of households who are renting:	50%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	17
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,710	TOTAL PROJECTED NEED:	551
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	11.89%	Existing need due to job accessibility (50%):	1,330
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,195,000	Existing need due to HQTAs pop. share (50%):	436
Share of region's job accessibility (population weighted):	0.32%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	167
Jurisdiction's HQTAs population (2045):	10,653	TOTAL EXISTING NEED:	1,933
Share of region's HQTAs population (2045):	0.10%	TOTAL RHNA FOR THE CITY OF REDONDO BEACH:	2,483
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	933
Share of population in very high-resource tracts:	99.86%	Low income (50-80% of AMI):	507
Social equity adjustment:	180%	Moderate income (80-120% of AMI):	489
		Above moderate income (>120% of AMI)	554

The transit accessibility measure is based on the population anticipated to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 10,653 living within HQTAs, the City of Redondo Beach represents 0.10% of the SCAG region's HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on job accessibility. From the City of Redondo Beach median TAZ, it will be possible to reach 11.89% of the region's jobs in 2045 within a 30-minute automobile commute (1,707,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 167 units assigned to the City of Redondo Beach.

Please note that the above represents only a partial description of key data and calculations in the Final RHNA Methodology. The attached maps provide further detail regarding transit and job access measures.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF SAN DIMAS

Hearing Date: January 11, 2021

The City of San Dimas has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of San Dimas submits an appeal and requests a RHNA reduction of 1,000 units (of its draft allocation of 1,245 units). The grounds for appeal are as follows:

1. Application of adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) – failure to adequately account for local data.
2. Availability of land suitable for urban development or for conversion to residential use – limited vacant land and steep slopes.
3. Lands protected from urban development under existing federal or state programs –State of California Department of Fish and Game designated endangered plant and animal habitat and watershed open space preservation areas.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 11, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011121fullagn_0.pdf?1609868354). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of adopted Final RHNA Methodology, sufficient evidence was not provided that the City of San Dimas' assigned share of regional housing need was the result of an improper application of the adopted Final RHNA Methodology. SCAG properly applied the Final RHNA Methodology and ensured that the RHNA allocation is consistent with the development patterns in the Connect SoCal.
- 2) Regarding availability of land suitable for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 3) Regarding lands protected from urban development under existing federal or state programs, the presence of protected open space alone does not reduce a jurisdiction's housing need or preclude it from accommodating its RHNA housing need elsewhere.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Michael Gainor, Senior Regional Planner,
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of San Dimas

RECOMMENDED ACTION:

Deny the appeal filed by the City of San Dimas (the City) to reduce its Draft RHNA Allocation from 1,245 units to 245 units, a reduction of 1,000 units (80.3 percent).

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

SUMMARY OF APPEAL:

The City of San Dimas (the City) requests a reduction of its Draft RHNA Allocation of 1,245 residential units based on the following issues:

- 1) Application of adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029)
- 2) Availability of land suitable for urban development or for conversion to residential use
- 3) Lands protected from urban development under existing federal or state programs

RATIONALE FOR STAFF RECOMMENDATION:

SCAG staff have reviewed the appeal submitted by the City of San Dimas and recommend no change be made to the City's RHNA allocation.

Issue 1: The appeal based on an improper application of the adopted RHNA methodology was not accepted because sufficient evidence was not provided that the City of San Dimas' assigned share of

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

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Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of San Dimas (Final Determination of Appeals Decisions)

regional housing need was the result of an improper application of the adopted RHNA allocation methodology.

Issue 2: The appeal based on a lack of available land suitable for urban development or conversion to residential use was not demonstrated to be a justifiable factor for reducing the City's RHNA allocation as local jurisdictions are required by RHNA law to consider other land use opportunities, in addition to existing vacant lands, for residential development.

Issue 3: The appeal based on lands protected from urban development by existing federal or state programs is not accepted because the presence of protected open space alone does not reduce a jurisdiction's housing need or preclude it from accommodating its RHNA housing need elsewhere.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the RHNA allocation for the City of San Dimas is provided below.

Total RHNA Allocation for the City of San Dimas: 1,245 units

Very Low Income: 383 units

Low Income: 219 units

Moderate Income: 206 units

Above Moderate Income: 437 units

Additional background information related to the draft RHNA allocation for the City of San Dimas is provided in Attachment 1.

Summary of Comments Received During 45-day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period as described in Government Code section 65584.05(c) in specific regard to the appeal filed by the City of San Dimas. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.

- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 communicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which may result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].***

The City of San Dimas argues that the adopted RHNA allocation methodology was not developed and applied in a manner that accurately reflects current conditions in San Dimas. Specifically, the City contends that the RHNA allocation methodology failed to adequately account for local data and information obtained through the local input process in the calculation of the City's draft allocation.

The City also asserts that local input is an important part of the RHNA planning process because it effectively links RHNA with the adopted RTP/SCS (Connect SoCal) through its support of the Sustainable Communities Strategy (SCS) in the identification of locations within the region sufficient to house an eight-year projection of regional housing need. However, as currently proposed, the City's Draft RHNA Allocation is inconsistent with the development pattern proposed in Connect SoCal since Connect SoCal projects approximately 200 households to be developed in San Dimas over the next 25 years, while the City's Draft RHNA Allocation assigns 1,245 housing units over the eight-year RHNA planning cycle.

SCAG Staff Response: SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination. Only an improper application of the adopted RHNA methodology provides an eligible basis for appeal. An example of an improper application of the methodology might be a data error identified by a local jurisdiction.

As described in Attachment 1 (Local Input and Development of the Draft RHNA Allocation), the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and housing vacancy. The methodology makes extensive use of locally reviewed input data and describes the data sources and how they are

calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory RHNA objectives¹, largely due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.

Attachment 1 also describes the extensive, 18-month Bottom Up Local Input and Envisioning Process whereby SCAG met one-on-one with all 197 local jurisdictions to solicit growth forecast and other information. However, local input regarding a jurisdiction's growth forecast was never intended to be equivalent to a RHNA allocation. The City of San Dimas did provide updated household growth forecast information which were included in the Connect SoCal forecast which were lower than SCAG's initial estimates, and this local input resulted in a lower RHNA calculation. However, in order to meet the five RHNA objectives and accommodate 1.34 million housing units regionwide, other factors need to be considered.

Ultimately, the RHNA allocation of housing need is a distinct process from Connect SoCal and its associated forecast (which relies heavily on local input). The RHNA requirements address the mandate to plan for housing units to further statutory objectives. RHNA establishes "minimum housing development capacity that cities and counties are to make available via their land use powers to accommodate growth within a planning period."² Actual housing production depends on a variety of factors external to the identification of need through RHNA—local jurisdictions frequently have sufficient zoned capacity, but actual housing construction depends on market and other external forces. In contrast, the Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given, among various other factors, the availability of zoned capacity and market demand and other external forces. Ultimately, it is this difference between these processes which accounts for the difference between the reasonably foreseeable household growth rate included in Connect SoCal and development of the capacity targets envisioned by RHNA for San Dimas.

While it is not directly related to the basis for appeal cited (application of the methodology), San Dimas questions the consistency between the RHNA allocation and Sustainable Communities Strategy (SCS) objectives. In addition to the process differences discussed above, the RHNA process

¹ The five RHNA objectives are: 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 (Govt. Code § 65584(d)).

² Concurrence in Senate Amendments, AB 1771 (Bloom), as amended August 24, 2018. Comments at p.4 (Original Committee Reference: H. & C.D.).

only permits SCAG to allocate jurisdiction-level totals (by income category), whereas the RTP/SCS requires SCAG to model future transportation patterns and greenhouse gas (GHG) emission impacts, which requires an estimate of where within a jurisdiction future growth may be expected to occur. As such, the RHNA process requires adapting Connect SoCal’s key policy direction in order to ensure that development patterns are generally consistent across the two processes. For example, Connect SoCal achieves its jobs-housing balance objectives in part by envisioning a set of 72 individual job centers across the region; however, this process relies on within-jurisdiction predictions of where development will be located. The final RHNA process adapts this concept by developing a measure of job accessibility at the jurisdictional level—using Connect SoCal data—to ensure consistent strategic and policy direction. This consistent strategic and policy direction results in the Final RHNA Methodology and the Draft RHNA Allocation’s consistency with the development patterns identified in the SCS, pursuant to Government Code section 65584.04(m)(1):

“It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy.”

For further discussion, see Attachment 1 and Connect SoCal Master Response 1:

https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf

Finally, the City of San Dimas notes that their annual population growth rate over 2000-2020 was lower than that of the SCAG region (0.2 percent versus 0.7 percent) and that only 52 permits were issued for new building development in the City from 2014-2019. However, Government Code section 65584.04(g)(2) and (3) specifically prohibit SCAG from determining a jurisdiction’s share of housing need or reducing a jurisdiction’s share of housing need based on prior underproduction from the previous RHNA allocation or stable population numbers from the previous RHNA cycle.

Since the City did not provide sufficient evidence that the adopted RHNA methodology was applied improperly, SCAG staff does not recommend a reduction to the City of San Dimas’ RHNA allocation on this basis.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

Although there exists some vacant land within the City of San Dimas, much of this land is not viable for new residential development due to unstable geological conditions and steeply sloped locations in the foothills of the San Gabriel Mountains that render significant urban development unfeasible. San Dimas is a largely built-out city and the draft RHNA allocation for the City is not achievable due to these land availability restrictions.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use”, as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are to be considered components of ‘available’ land. As further indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and unzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City should consider other opportunities for residential development. These opportunities may include assessment of the availability of underutilized land, opportunities for infill development and increased residential densities, or implementation of alternative zoning and density policies. Alternative development opportunities should be explored further to provide the land use capacity needed to zone for the City’s projected growth. For this reason, SCAG does not recommend a RHNA reduction based on this factor.

Issue 3: Lands protected from urban development under existing federal or state programs [Government Code Section 65584.04(e)(2)(C)].

Much of the open space located in the northern foothills area of the City of San Dimas is subject to development restrictions as a result of State of California Department of Fish and Game designated endangered plant and animal habitat and watershed open space preservation areas. These restrictions preclude the City from developing these areas to accommodate its Draft RHNA Allocation.

SCAG Staff Response: It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was provided in the City’s appeal that the status of these areas has changed since the most recent local input was provided in February 2018. In addition, while the City has indicated that it is unable to accommodate residential development in these specific areas, no evidence has been provided to demonstrate that San Dimas is not able to accommodate its RHNA allocation in other areas or through the use of other land use strategies or policies. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere. For these



reasons, SCAG staff does not recommend a reduction to the City of San Dimas' Draft RHNA Allocation based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Attach 1_Local Input_Draft RHNA Allocation_San Dimas
2. Attach 2_Appeal Letter_San Dimas
3. Attach 3_Appeal Request Form_San Dimas
4. Attach 4_Data Verification Form_San Dimas
5. Attach 5_Local Input_San Dimas
6. Attach 6_TAZ Map_San Dimas
7. Attach 7_Vacant Land_San Dimas
8. Attach 8_2045 HQT Map_San Dimas
9. Attach 9_2045 Job Access Map_San Dimas

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment describes the nature and timing of the opportunities the City of San Dimas had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the 2020 RTP/SCS (Connect SoCal) Growth Vision. It also describes the process by which the RHNA methodology development process integrated this information to develop the City of San Dimas' Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data in preparation for development of Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast, as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of San Dimas, the projected number of households in 2020 was 12,189 and in 2030 was 12,344 (growth of 155 households). In February 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. Input from the City of San Dimas on the growth forecast was received in October 2018. Following input, the City's household

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data reviewed during this process may be found in each jurisdiction's Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

projections were revised to 12,163 in 2020 and 12,218 in 2030, for a reduced growth forecast over this period of 55 households.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of San Dimas submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region's GHG reduction targets, as provided by the California Air Resources Board (CARB) in accordance with state planning law.

Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at: <http://spmDM.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of San Dimas which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in

Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology, which relied almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and would not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1:

https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of San Dimas

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of San Dimas received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of San Dimas as summarized in the data and calculations featured in the table below.

City of San Dimas Statistics and Inputs		Calculation of Draft RHNA Allocation for San Dimas	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	45	Forecasted household (HH) growth, RHNA period:	45
Percent of households who are renting:	28%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	1
Housing unit loss from demolition (2009-18):	3	Replacement Need:	3
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	182	TOTAL PROJECTED NEED:	50
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	10.46%	Existing need due to job accessibility (50%):	562
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,051,000	Existing need due to HQTa pop share (50%):	530
Share of region's job accessibility (population weighted):	0.13%	Net residual factor for existing need:	103
		<i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTa population (2045):	12,960	TOTAL EXISTING NEED:	1,196
Share of region's HQTa population (2045):	0.13%	TOTAL RHNA FOR THE CITY OF SAN DIMAS:	1,245
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	383
Share of population in very high-resource tracts:	0.91%	Low income (50-80% of AMI):	219
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	206
		Above moderate income (>120% of AMI):	437

The transit accessibility measure is based on the population projected to live within 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 12,960 living within HQTAs, the City of San Dimas is projected to account for 0.13 percent of the SCAG region's total 2045 HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction's share of regional jobs that are accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached in a 30-minute automobile commute from a local jurisdiction's median TAZ is used to allocate housing units based on job accessibility. From the City of San Dimas' median TAZ, it will be possible to reach 10.46 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,051,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the SCAG region which are considered 'Disadvantaged Communities' (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as 'residual need', is then reallocated to non-DAC jurisdictions in order to ensure that housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 103 units assigned to the City of San Dimas.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF SAN FERNANDO

Hearing Date: January 11, 2021

The City of San Fernando has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of San Fernando submits an appeal and requests a RHNA reduction of 1,291 units (of its draft allocation of 1,791 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th cycle RHNA – the City has an allocation of a greater percentage of housing units as compared to other cities according to certain parameters (local housing inventory, county housing inventory, TOD/HQTA, Net Residual Factor for Existing Need).
2. Existing or projected jobs-housing balance – same as in 1. above.
3. Sewer or water infrastructure constraints for additional development --- the City does not have adequate water supply capacity and sewer infrastructure to accommodate development of the RHNA allocations.
4. Availability of land suitable for urban development or for conversion to residential use – the City does not have available vacant land to accommodate its RHNA allocation.
5. Changed circumstances - the City no longer has an HQTA and COVID-19 presents an unforeseen changed circumstance that has severely impacted the City's economy and impacted the development capacity for housing.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 11, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to

the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011121fullagn.pdf?1609868256>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the RHNA methodology, the City has not provided evidence that SCAG's methodology allocates a greater percentage of RHNA allocation when compared to other cities according to certain parameters.
- 2) The jobs-housing balance factor was not demonstrated to be an impediment to meeting San Fernando's RHNA allocation since jobs-housing balance is evaluated at the regional, not jurisdictional level.
- 3) Regarding availability of existing water and sewage infrastructure, it is not evident that the water providers have rendered decisions that would prevent the jurisdiction from providing the necessary infrastructure. Also, costs to upgrade and develop appropriate water and sewage infrastructure may be considered as a justification for a reduction.
- 4) Regarding the availability of land suitable for urban development or conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 5) Regarding change in circumstances, the Final RHNA Methodology calculated need based on a jurisdiction's population within an HQTAs in 2045, not the present. Also, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager II,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of San
Fernando

RECOMMENDED ACTION:

Deny the appeal filed by the City of San Fernando (the City) to reduce the Draft RHNA Allocation for the City by 1,291 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of San Fernando requests a reduction of its RHNA allocation by 1,291 units (from 1,791 units to 500 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th cycle RHNA – allocation of a greater percentage of housing units as compared to other cities according to certain parameters (local housing inventory, county housing inventory, TOD/HQTA, Net Residual Factor for Existing Need).
- 2) Existing or projected jobs-housing balance – same as Issue 1.
- 3) Sewer or water infrastructure constraints for additional development --- the City does not have adequate water supply capacity and sewer infrastructure to accommodate development of the RHNA allocations.
- 4) Availability of land suitable for urban development or for conversion to residential use – the City does not have available vacant land to accommodate its RHNA allocation.
- 5) Changed circumstances - San Fernando no longer qualifies has an HQTA and COVID-19 presents an unforeseen changed circumstance that has severely impacted the City's economy and impacted the development capacity for housing.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of San Fernando (Final Determination of Appeals Decisions)

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of San Fernando Draft RHNA Allocation.

Issue 1 and 2: The City has not provided evidence that SCAG’s methodology allocates a greater percentage of RHNA allocation when compared to other cities according to certain parameters. As such, we do not recommend granting an appeal on these bases.

Issue 3: The City has not provided evidence that the respective provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. Further, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. As such, we do not recommend granting an appeal on these bases.

Issue 4: The City has not provided evidence that it could not accommodate higher density housing. As such, SCAG does not recommend granting an appeal on these bases.

Issue 5: Impacts from COVID-19 are not unique to any single SCAG jurisdiction and the City has not provided evidence that housing need within San Fernando is disproportionately impacted in comparison to the rest of the SCAG region. As such, we do not recommend granting an appeal on these bases.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA Allocation for the City of San Fernando: 1,791

Very Low Income: 460

Low Income: 273

Moderate Income: 283

Above Moderate Income: 775

Additional background related to the draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of San Fernando. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issues 1 and 2: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)] and existing or projected jobs-housing balance [Section 65584.04(e)(1)].

The City of San Fernando contends that when comparing jobs/housing balance, SCAG's methodology allocates a greater percentage of housing units to them when compared to other cities according to certain parameters:

- ***Local Housing Inventory:*** *San Fernando argues that cities such as La Puente and South El Monte had a lower RHNA housing inventory numbers (0.19 and 0.11) compared to San Fernando's value of 0.27*
- ***County Housing Inventory:*** *San Fernando states that the number of housing units in San Fernando represents 0.18 percent of the LA County's 2020 Housing Units but disproportionately represents 0.22 percent of the County's RHNA allocation of 813,082 units.*
- ***TOD/HQTA:*** *The City argues that compared to other jurisdictions, San Fernando does not have adequate public transit access that would allow for TOD projects.*
- ***Net Residual Factor for Existing Need:*** *San Fernando argues that the distribution of the 122 "residual units" would have been more equitable and sustainable if it was allocated to job-rich jurisdictions, which also tend to have High Quality Transit Corridors and Areas.*

SCAG Staff Response: SCAG recognizes that the increase is substantial compared to the existing housing stock. This is largely a result of the high regional housing number of 1,341,827 called for by HCD in their regional determination for SCAG. According to the state Department of Finance’s 2019 data the region had 6,592,458 housing units—meaning that HCD expects the entire region to plan for a 20.4% increase in units.

Ultimately whether a city is above or below this regional average level depends on factors explained in the RHNA methodology. While comparing a RHNA allocation versus the existing housing stock may provide an intuitive comparison of magnitude, it is not a measure which is referenced in statute related to the regional determination or allocation methodology.

The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both “projected need” and “existing need”. The majority of the City of San Fernando RHNA allocation comes not from the City’s proximity to jobs or transit but instead from its expected future growth or “projected need”. As described in Attachment 1, the “projected need” for the City of San Fernando is 375 units. “Projected need” is intended to accommodate the growth of population and households within the City during the 2021-2029 RHNA period. This calculation is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan. See Attachment 1, “Local input and development of draft RHNA allocation” which describes the extent of local engagement and review opportunities provided to local jurisdictions on the household growth forecast. Review opportunities began in October 2017. While the initial deadline for input was October 2018, additional review opportunities were provided to all local jurisdictions through June 2020. Growth forecast data for the City of San Fernando was reviewed and approved by the City in August 2018 (see Attachment 3, Data Verification Form).

The adopted RHNA methodology already includes job and transit accessibility as primary factors in determining a jurisdiction’s draft RHNA allocation for “existing need”. Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute (additional details are found in the adopted RHNA methodology). This is **not** a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction’s residents, which includes jobs outside of the jurisdiction. As described in Attachment 1, from the City of San Fernando’s median TAZ, it will be possible to reach 10.66% of the region’s jobs in 2045 within a 30-minute automobile commute (1,071,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs). Therefore, the City only received a RHNA allocation of 444 units based on job accessibility. Hence, the local jurisdiction’s job-housing balance has already been accounted for in the approved RHNA methodology. Regarding the City not having HQTAs, please refer to response below.

Issue 3: Sewer or water infrastructure constraints for additional development [Section 65584.04(e)(2)(A)].

The City of San Fernando argues that its current infrastructure is in disarray and that the City does not have adequate water supply and sewer lines to accommodate development of the 2021-2029 RHNA allocation. The City argues that the RHNA allocation is in direct conflict with AB 1397, in which housing inventory sites must have enough public infrastructure to support and be accessible for housing development.

SCAG Staff Response: For Government Code section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water and sewer constraints mentioned by the jurisdiction, it is not evident that the respective provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure.

Further, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units.

SCAG acknowledges that AB 1397 modifies the housing element update process in Government Code Section 65583 and requires stronger justification for using certain types of sites to meet RHNA need, particularly nonvacant sites. While these statutory changes have increased the extent of analysis or supportive policy required to demonstrate development likelihood, they do not preclude the consideration of non-vacant sites. For example, page 25 of HCD's June 10, 2020 Housing Element Site Inventory Guidebook¹ covering Government Code Section 65583.2 states:

The inventory analysis should describe development and/or redevelopment trends in the community as it relates to nonvacant sites, i.e., the rate at which similar sites have been redeveloped. This could include a description of the local government's track record and specific role in encouraging and facilitating redevelopment, adaptive reuse, or recycling to residential or more intensive residential uses. If the local government does not have any examples of recent recycling or redevelopment, the housing element should describe current or planned efforts (via new programs) to encourage and facilitate this type of development (e.g., providing incentives to encourage lot consolidation or assemblage to facilitate increased residential-development capacity). The results of the analysis should be reflected in the capacity calculation described in Part C, above.

Further, AB 1397 provides that:

¹https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

(f) The deadline for completing required rezoning pursuant to subparagraph (A) of paragraph (1) of subdivision (c) shall be extended by one year if the local government has completed the rezoning at densities sufficient to accommodate at least 75 percent of the units for low- and very low-income households and if the legislative body at the conclusion of a public hearing determines, based upon substantial evidence, that any of the following circumstances exist:

(2) The local government is unable to complete the rezoning because of infrastructure deficiencies due to fiscal or regulatory constraints.

Thus, statute permits, and HCD has provided guidance on how, several approaches may be taken in order to demonstrate site suitability and if infrastructure constraints are substantiated the deadline for required rezoning can be extended by a year.

For these reasons, SCAG staff does not recommend a housing need reduction based upon this planning factor.

Issue 4: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City of San Fernando argues that a lack of developable land limits or restricts its ability to accommodate its RHNA allocation. Due its small size (2.3 square miles) and focus on industrial uses, the City lacks infill or vacant areas. The City argues that it will have to consider additional sites that were not included in the previous Cycle. San Fernando argues that it would be forced to transition additional under-utilized properties into higher density housing developments. The typical ownership pattern in San Fernando is small contiguous lots that would need to be assembled into a larger development site which is a problem as they would be burdened by the economics of remediating the site from years of industrial use.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through

means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to allocate RHNA need. Per the adopted RHNA methodology, RHNA need is determined by projected household growth, transit access, and job access. Housing need, both existing and projected, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s draft RHNA allocation.

Issue 5: Changed Circumstances [Government Code 65584.05(b)].

The City of San Fernando argues that it no longer qualifies as a city with an HQTAs. The City states that San Fernando’s long-range plan and vision were altered due to Metro’s funding shortfall for the construction of the East San Fernando Valley Transit Corridor (ESFVTC). While the project hasn’t been cancelled, it has been divided into two segments due to financial constraints. The City argues that the second segment, which reaches San Fernando would be completed past the 6th RHNA cycle’s projection date and as such the City does not have areas that meet the definition of a Major Transit Stop as there are no two intersecting bus lines with a frequency of service interval 15 minutes or less, nor does it meet the definition of a High Quality Transit Corridor, as only one bus line has service intervals 15 minutes or less during the northbound afternoon peak only.

Further, The City of San Fernando argues that the COVID-19 pandemic presents an unforeseen changed circumstance that has severely impacted the City’s economy, the current and future housing market and impacted the development capacity of the private market to create housing.

SCAG Staff Response: The adopted final RHNA methodology includes a component that calculates need based on a jurisdiction’s population within a High-Quality Transit Area (HQTAs) in 2045 in Connect SoCal, SCAG’s 2045 RTP/SCS. For planning and SCS purposes, SCAG identifies HQTAs as generally a walkable transit village or corridor that is within one-half mile of a major transit stop or High-Quality Transit Corridor (HQTAs) as defined in Government Code 21155(b) and 21064.3 excluding freeway transit corridors with no bus stops on the freeway alignment. As noted in Connect SoCal, HQTAs are defined as a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours (CA Public Resource Code Section

21155(b)). SCAG’s technical methodology for identifying HQTCS and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor’s Office of Planning and Research.

While portions of the ESFVTC have been delayed, the Connect SoCal horizon goes out to 2045, and when sufficient funding is secured, the project is still anticipated to be implemented. Lines 234 (Local) and 734 (Rapid) are located within the City of San Fernando and both continue to have service intervals of 7.5 minutes during peak periods. As such the bus routes meet the definition of HQTCS. Based on these HQTCS, the attached map shows the 2045 HQTAs boundaries for the City of San Fernando which were used in Connect SoCal.

Further, planned HQTCS and major transit stops are future improvements that are expected to be implemented by transit agencies by the RTP/SCS horizon year of 2045. These are assumed to meet the statutory requirements of an HQTCS, or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCS with the adoption of a new RTP/SCS, once every four years. However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS is updated by SCAG and as such it is understood that planned transit projects are subject to further project-specific evaluation, but that is the nature of the long range planning process.

While there is an inherent chance that transit agencies may change future plans, SCAG’s adopted final RHNA methodology uses this definition of 2045 HQTAs in order to better align future housing with anticipated future transit.

SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.” (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth

Forecast Technical Report² outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e. the SCAG's region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region's long-term competitiveness or the region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of San Fernando)
2. City of San Fernando Appeal Form and Supporting Documentation
3. Data Input and Verification Form (City of San Fernando)
4. HCD Final 6th Cycle Housing Need Determination for the SCAG Region
5. Comments Received During the Comment Period (General)
6. HQT Map for City of San Fernando

² See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of San Fernando had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of San Fernando's Draft RHNA Allocation.

1. Local Input

a. *Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS and later referred to as Connect SoCal) and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of San Fernando, the anticipated number of households in 2020 was 6,197 and in 2030 was 6,638 (growth of 441 households). On March 26, 2018, SCAG staff met with staff from the City of San Fernando to

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of San Fernando on the growth forecast was received in August 2018. Following input, household totals remained the same.

b. Submitted RHNA methodology surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of San Fernando submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. The City of San Fernando's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be

used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.



The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Final RHNA Methodology and Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the Covid-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of San Fernando received its Draft RHNA Allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocations for the City of San Fernando as summarized in the data and in the tables below.

City of San Fernando Statistics and Inputs		Calculation of Draft RHNA Allocation for San Fernando	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	364	Forecasted household (HH) growth, RHNA period:	364
Percent of households who are renting:	46%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	11
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	985	TOTAL PROJECTED NEED:	375
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	10.66%	Existing need due to job accessibility (50%):	444
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,071,000	Existing need due to HQTa pop. share (50%):	850
Share of region's job accessibility (population weighted):	0.11%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	122
Jurisdiction's HQTa population (2045):	20,788	TOTAL EXISTING NEED:	1,416
Share of region's HQTa population (2045):	0.20%	TOTAL RHNA FOR THE CITY OF SAN FERNANDO	1,791
Share of population in low/very low-resource tracts:	45.69%	Very-low income (<50% of AMI):	460
Share of population in very high-resource tracts:	0.00%	Low income (50-80% of AMI):	273
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	283

	775
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Above moderate income (>120% of AMI)

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 20,788 living within HQTAs, the City of San Fernando represents 0.20% of the SCAG region’s HQTA population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of San Fernando median TAZ, it will be possible to reach 10.66% of the region’s jobs in 2045 within a 30-minute automobile commute (1,071,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 122 units assigned to the City of San Fernando.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology. The attached maps provide further detail regarding transit and job access measures.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF SAN GABRIEL

Hearing Date: January 11, 2021

The City of San Gabriel has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of San Gabriel submits an appeal and requests a RHNA reduction of undefined units (of its draft allocation of 3,017 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) – RHNA methodology fails to adequately account for local data.
2. Sewer or water infrastructure constraints for additional development – aging sewer infrastructure.
3. Availability of land suitable for urban development or for the conversion to residential use – City is fully built out.
4. Affirmatively furthering fair housing – the City is already proactively addressing AFFH.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 11, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011121fullagn_0.pdf?1609868354). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

C. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted Final RHNA methodology, the City' stable population growth from the previous regional housing needs cycle cannot be used as a justification for a reduction in a jurisdiction's share of the regional housing need.
- 2) Regarding sewer or water infrastructure constraints for additional development, it is not evident that the water providers have rendered decisions that would prevent the jurisdiction from providing the necessary infrastructure. Also, costs to upgrade and develop appropriate water and sewage infrastructure may not be considered as a justification for a reduction since the RHNA allocation is not a building quota. RHNA requires local jurisdictions only to plan and zone for its determined housing need and is not penalized for not developing the allocated units.
- 3) Regarding availability of land suitable for urban development or for the conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 4) Regarding affirmatively furthering fair housing, supporting evidence was not provided that the City of San Gabriel's share of the assigned housing need is inconsistent with the application of the adopted RHNA methodology.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Michael Gainor, Senior Regional Planner,
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of San Gabriel

RECOMMENDED ACTION:

Deny the appeal filed by the City of San Gabriel (the City) to reduce its Draft RHNA Allocation from its current allocation of 3,017 housing units to an undefined lower number of units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

SUMMARY OF APPEAL:

The City of San Gabriel requests a reduction of its Draft RHNA Allocation from the current allocation of 3,017 residential units based on the following four issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 -2029)
- 2) Sewer or water infrastructure constraints for additional development
- 3) Availability of land suitable for urban development or for the conversion to residential use
- 4) Affirmatively furthering fair housing

RATIONALE FOR STAFF RECOMMENDATION:

SCAG staff have reviewed the appeal submitted by the City of San Gabriel and recommend no change be made to the City's RHNA allocation.

Issue 1: The appeal based on an improper application of the adopted RHNA methodology was not demonstrated because the City's stable population growth from the previous regional housing

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of San Gabriel (Final Determination of Appeals Decisions)

needs cycle cannot be used as a justification for a reduction in a jurisdiction's share of the regional housing need.

Issue 2: The appeal based on the existence of sewer and water infrastructure constraints was not demonstrated to be a viable factor for reducing the City's RHNA allocation. Costs to upgrade and develop appropriate infrastructure may not be considered by SCAG as a justification for a reduction since the RHNA allocation is not a building quota. RHNA requires local jurisdiction only to plan and zone for its determined housing need and is not penalized for not developing the allocated units.

Issue 3: The appeal based on a lack of available land suitable for urban development was not demonstrated to be a justifiable factor for reducing the City's RHNA allocation. Local jurisdictions are required by RHNA law to consider other land use opportunities, in addition to existing vacant lands, for residential development.

Issue 4: The appeal based on affirmatively furthering fair housing was not demonstrated because sufficient supporting evidence was not provided that the City of San Gabriel's share of assigned housing need is inconsistent with the application of the adopted RHNA allocation methodology.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, each local jurisdiction in the SCAG region received its Draft RHNA Allocation on September 11, 2020. A summary of the RHNA allocation for the City of San Gabriel is provided below.

Total RHNA Allocation for the City of San Gabriel: 3,017 units

Very Low Income: 844 units

Low Income: 415 units

Moderate Income: 465 units

Above Moderate Income: 1,293 units

Additional background information related to the Draft RHNA Allocation for the City of San Gabriel is included in Attachment 1.

Summary of Comments Received During 45-day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) in specific regard to the appeal filed by the City of San Gabriel. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

The City of San Gabriel argues that the adopted RHNA allocation methodology was not developed and applied in a manner that accurately reflects current conditions in San Gabriel. Specifically, the City argues that the RHNA allocation methodology failed to adequately account for local data and information obtained through the local input process in the calculation of the city's Draft Allocation.

SCAG Staff Response: SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory

objectives¹, in large part due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.

Attachment 1 also describes the extensive, 18-month Bottom Up Local Input and Envisioning Process whereby SCAG met one-on-one with all 197 local jurisdictions to solicit growth forecast and other information. SCAG staff met with City of San Gabriel staff in April 2018 to discuss the Bottom-Up Local Input and Envisioning Process, solicit feedback, and answer questions. However, local input regarding a city's growth forecast was never intended to be equivalent to a RHNA number and in order to meet the five RHNA objectives, and to accommodate the total of 1.34 million housing units region-wide, other factors needed to be considered.

The City notes that it has experienced an approximately one percent rate of growth since 1990 and that its Draft RHNA Allocation is seven times greater than the population growth it has experienced since 2012. However, Government Code section 65584.04(g)(3) specifically prohibits SCAG from determining a jurisdiction's share of housing need or reducing a jurisdiction's share of housing need based on stable population growth from the previous RHNA cycle.

The City also notes that it is located within a 15-minute non-peak commute time from downtown Los Angeles, which results in high scores for job and transit accessibility in SCAG's RHNA methodology. The City's proximity to jobs and transit indicates that San Gabriel's Draft RHNA Allocation is consistent with the transit and job proximity policies explicitly expressed in the methodology. Therefore, a misapplication of the adopted RHNA Methodology has not been successfully demonstrated.

Relatedly, the City notes that it is a relatively small sized jurisdiction and does not contain any designated priority growth areas or job centers as identified in SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). While this may be true, the job accessibility measure used in the RHNA methodology is dependent on the location of regional jobs where future residents may experience a short commute. Currently, 80 percent of SCAG region workers live and work in different jurisdictions, and a regional strategy aimed at improving the regional jobs-housing relationship (RHNA Objective 3) necessitates consideration of employment opportunities outside the boundaries of an individual jurisdiction.

¹ The five RHNA objectives are: 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 emission 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; and 5) Affirmatively furthering fair housing (Govt. Code § 65584(d)).

There is no evidence provided that the City of San Gabriel's share of assigned housing need is inconsistent with the proper application of the adopted RHNA Allocation Methodology. For this reason, SCAG staff does not recommend a reduction based on this factor.

Issue 2: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].

The City contends that its sewer infrastructure is aging and is in need of substantial repair as well as increased on-going maintenance. The City estimates that a sewer upgrade will cost \$30 million citywide and \$17 to \$18 million in specific 'hot spot' areas. While the City has imposed a fee to collect funds to implement infrastructure improvements, necessary funding for just the hot spots will require ten years to collect. Therefore, the City must allocate additional funds to continue on-going system maintenance and to accommodate further development.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. Costs to upgrade and develop appropriate infrastructure may not be considered by SCAG as a justification for a reduction since the RHNA Allocation does not represent a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units. For this reason, SCAG staff does not recommend a reduction to the City's RHNA allocation based on this factor.

Issue 3: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City of San Gabriel argues in its appeal that it does not have the available land necessary to accommodate its Draft RHNA Allocation. The City argues that, while it could accommodate its prior assigned need, the 6th cycle allocation severely exceeds the number of potential and underutilized sites identified in the current 5th cycle housing element and further states that the City is fully built out. Additionally, the appeal states that the actual build-out of the planned units would represent only a fraction of its allocated need and that only 372 of its 930 allocated units from the prior cycle have been permitted.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "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" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use", as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are to

be a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City should consider other land use opportunities for housing development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further to provide the land use capacity needed to zone for the City’s projected growth.

Additionally, Government Code section 65584.04(g)(2) specifically prohibits SCAG from determining a jurisdiction’s share of housing need or reducing the jurisdiction’s share of housing need based on underproduction of units from a prior RHNA cycle. Thus, the lack of issued permits for the 5th RHNA cycle may not be considered as a justification for a reduction to the City’s Draft RHNA Allocation.

For these reasons, SCAG does not recommend a reduction to San Gabriel’s draft RHNA allocation based on this factor.

Issue 4: Affirmatively furthering fair housing (AFFH).

The City of San Gabriel is already proactively updating its planning policy and regulatory documents to require more fair housing from new developments as well as converted developments for adaptive reuse purposes. The City’s efforts to encourage and promote fair housing started prior to release of the Draft RHNA Allocation and should be included as part of the allocation considerations.

SCAG Staff Response: The City of San Gabriel’s proactive approach toward seeking resources and advancing policies related to fair housing is recognized and SCAG looks forward to further opportunities to promote these shared goals with the City, including collaboration with the San Gabriel Valley Council of Governments. These actions will serve to increase affordable housing supply in the City and prevent the loss of affordable units, thereby helping San Gabriel achieve its housing targets. However, these laudable actions do not constitute evidence that the City’s Draft RHNA Allocation should be lowered based on AFFH considerations. The Final RHNA Methodology addresses disparities in income and access to opportunity through use of a social equity adjustment to ensure that especially low-resourced jurisdictions do not receive a disproportionately high lower-income RHNA allocation.

The City does not demonstrate in its appeal that these factors were improperly applied in the RHNA methodology. The supportive policies referenced in the appeal are intended to help the City of San



Gabriel achieve its RHNA targets rather than forming a basis for lowering them. As such, SCAG staff does not recommend that the City's Draft RHNA Allocation be reduced in response to its previous activities in support of fair housing.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Attach 1_Local Input_Draft RHNA Allocation_San Gabriel
2. Attach 2_RHNA Appeal Letter_San Gabriel
3. Attach 3_RHNA Appeal Form_San Gabriel
4. Attach 4_2045 HQTMap_San Gabriel
5. Attach 5_2045 Job Access Map_San Gabriel

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of San Gabriel had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). It also describes how the RHNA Methodology development process integrated this information to develop the City of San Gabriel’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.² Each local jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision, which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of San Gabriel, the anticipated number of households in 2020 was 12,992 and in 2030 was 14,131 (growth of 1,139 households). In April 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of San Gabriel on the growth forecast was received in September 2018. Following this input, household totals were not changed.

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year planning period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of San Gabriel submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections obtained through the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region's GHG reduction targets, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional details regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections, may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at: <http://spmdm.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG

did not receive additional technical corrections from the City of San Gabriel which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provided it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQT) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of San Gabriel

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and do not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.



Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of San Gabriel received its draft RHNA allocation on September 11, 2020. Application of the adopted RHNA methodology yields the draft RHNA allocation for the City of San Gabriel as summarized in the data and calculations provided in the table below.

City of San Gabriel Statistics and Inputs		Calculation of Draft RHNA Allocation for San Gabriel	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	940	Forecasted household (HH) growth, RHNA period:	940
Percent of households who are renting:	55%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	32
Housing unit loss from demolition (2009-18):	114	Replacement Need:	114
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	2,364	TOTAL PROJECTED NEED:	1,086
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	14.25%	Existing need due to job accessibility (50%):	1,003
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,432,000	Existing need due to HQTAs pop share (50%):	761
Share of region's job accessibility (population weighted):	0.24%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	167
Jurisdiction's HQTAs population (2045):	18,606	TOTAL EXISTING NEED:	1,930
Share of region's HQTAs population (2045):	0.18%	TOTAL RHNA FOR THE CITY OF SAN GABRIEL:	3,017
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	844
Share of population in very high-resource tracts:	6.55%	Low income (50-80% of AMI):	415
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	465
		Above moderate income (>120% of AMI):	1,293

The transit accessibility measure is based on the population anticipated to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 18,606 living within HQTAs, the City of San Gabriel

is projected to account for 0.18 percent of the SCAG region's total 2045 HQT population, which provides the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached in a 30-minute automobile commute from a local jurisdiction's median TAZ is used as to allocate housing units based on job accessibility. From the City of San Gabriel's median TAZ, it will be possible to reach 14.25 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,432,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered 'Disadvantaged Communities' (DACs) based on access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as 'residual need', is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above and resulted in an additional 167 units assigned to the City of San Gabriel.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF SANTA ANA

Hearing Date: January 15, 2021

The City of Santa Ana (the “City”) did not appeal its draft Regional Housing Needs Assessment (“RHNA”) allocation. However, unlike previous cycles of RHNA, Government Code section 65584.05(b) now permits local jurisdictions to appeal the Draft RHNA Allocation of other jurisdictions in the region, in addition to their own on the same bases for appeal other than changed circumstances. Garden Grove, Irvine, Newport Beach, and Yorba Linda has each appealed Santa Ana’s Draft RHNA Allocation. Pursuant to SCAG’s 6th Cycle Appeals Procedures, appeals are to be organized by the jurisdiction subject to the appeal and as such this determination addresses all four appeals filed and comments received.

The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the appeal of the City of Santa Ana’s determination by four other cities.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.

- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. RHNA Determination by HCD

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development's (HCD) determination of the existing and projected housing need for each region in the state. HCD's determination must be based on "population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD "shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region's housing needs," and "the council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

"(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:

(i) The term "overcrowded" means more than one resident per room in each room in a dwelling.

(ii) The term "overcrowded rate for a comparable housing market" means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.

(D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.

(F) Other characteristics of the composition of the projected population.

(G) The relationship between jobs and housing, including any imbalance between jobs and housing.

(H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:

(i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.

(ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.).

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an

explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- “(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.
- (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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

- (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.
- (7) The rate of overcrowding.
- (8) The housing needs of farmworkers.
- (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.
- (10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.
- (11) 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.
- (12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.
- (13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction's allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). "To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need." (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD's receipt of the final allocation plan adopted by the council of governments, HCD "shall determine if the final allocation plan is consistent with the existing and projected housing need for the region," and it "may revise the determination of the council of governments if necessary to obtain this consistency." (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region's jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy ("RTP/SCS" or "Connect SoCal").² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD’s RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG’s Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

On or about October 15, 2019, after consideration of SCAG’s objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region’s anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The Appeals of the City of Santa Ana's Allocation

Four cities appealed the Sana Ana draft allocation of units as follows:

1. The City of Garden Grove to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle (requested increase of 7,087 units),
2. The City of Irvine to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle and the availability of land suitable for urban development or conversion to residential use (requested increase of 10,000 units),

3. The City of Newport Beach to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle and the availability of land suitable for urban development or conversion to residential use (requested increase of 7,087 units), and
4. The City of Yorba Linda to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle (requested increase of 23,167 units).

While the appeals differ somewhat, they provide similar evidence and make substantively similar arguments. Namely, all four appeals argue that household growth forecast information provided by the City of Santa Ana pursuant to SCAG's Bottom-Up Local Input and Envisioning Process in 2018 (see Attachment 1) is out of date. As such, the appellants argue that an update to this information, which is an input to the RHNA Methodology, is merited for the purposes of the RHNA Allocation.

Two major sources of new information are provided. The first is a review of development pipeline projects recently approved, under review, or entitled totaling between 7,594 and 9,891 new units. The second is a June 2020 document which is part of the City of Santa Ana's under-development general plan update entitled "GP Buildout Methodology," which identifies growth capacity. This document identifies a build-out capacity of 36,261 net new units city-wide.¹¹

Per the adopted RHNA Methodology, a growth cap is applied to defined disadvantaged communities (DAC) based on their 2020-2045 local input growth forecast. Since Santa Ana fits the RHNA Methodology's definition for a DAC, its Draft RHNA Allocation is capped based on its 2020-2045 local input growth forecast, at 3,087 units.

Santa Ana provided a comment letter with information suggesting that an increased household forecast for 2020-2045 (which would impact its RHNA allocation) could be merited based on pipeline development projects which have been identified since Santa Ana's Local Input in 2018. However, the

¹¹ Capacity is calculated by multiplying a theoretical allowed development level in each zone by the number of acres in that zone. This differs from a growth forecast which is an estimate of occupied building space/units at a particular point in time. The Santa Ana General Plan Update EIR, Appendix B Santa Ana General Plan Buildout Methodology, explains how buildout was calculated and also indicates that, "AECOM conducted a market analysis for the General Plan update in 2019 and 2020 (final Santa Ana Economic Indicators Report, May 2020). The report concluded that the demand for new residential development could reach upwards of 15,520 units through 2040 (including pipeline projects, [which would be 739 units per year over the 21 years 2019 to 2040] ... although the report also noted that housing demand could increase if the housing pipeline remains strong if it can increase its capture rate of countywide growth."

City of Santa Ana does not assert a change in circumstances nor a correction to previously submitted data and did not itself appeal its RHNA determination.

A. Appeal Board Hearing and Review

The four appeals of the RHNA Allocation for the City of Santa Ana were heard by the RHNA Appeals Board on January 15, 2021, at a noticed public hearing. The four appellant jurisdictions, the City of Santa Ana, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeals, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the four appeals. That report provided the background for the draft RHNA allocation to the City and assessed the bases for appeal presented by the four appellant jurisdictions along with information provided by the City of Santa Ana. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The staff report for the City of Santa Ana including Attachment 1 to the report is attached hereto as Exhibit A¹² (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011521fullagn.pdf?1610159013>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the four appellant jurisdictions, the City of Santa Ana, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeals on the bases set forth in the staff report which are summarized below.

Regarding application of the methodology [Government Code section 65584.05(b)(2)], the DAC adjustment is part of the adopted RHNA Methodology and was described by HCD as an important component in ensuring that the Methodology furthers RHNA objective #5 regarding Affirmatively Furthering Fair Housing (AFFH). Santa Ana's draft RHNA allocation was calculated properly pursuant to

¹² Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

the information submitted by the City during the local input process and documented through a signed Data Verification form (attached) that was returned to SCAG on October 2, 2018 approving the growth forecast information, which signed verified form was relied upon by SCAG. In particular, Santa Ana participated in and provided extensive growth forecast input during 2018 including total household growth. The Bottom-Up Local Input data is the most recent and comprehensive data available to SCAG on total household growth across the region and, per the methodology, is reflected in the Draft RHNA Allocation for the City of Santa Ana and all other local jurisdictions in SCAG region. SCAG adhered to its established process for developing household growth forecast information in a manner that is comparable across the region for the purposes of the 6th cycle Final RHNA Methodology, and SCAG properly applied the Final RHNA Methodology in developing Santa Ana’s Draft RHNA Allocation.

Regarding the availability of land [Government Code 65584.04(e)(2)(B)], SCAG relies on the authority and planning expertise of each jurisdiction (and experts they rely upon¹³) to identify growth in each community consistent with the requirements of state law. Santa Ana met its obligations to provide information to SCAG during the RHNA process, and SCAG fully complied with the adopted Final RHNA Methodology in developing the City’s Draft RHNA Allocation. New information regarding market absorption of units, which may include pipeline projects or an under-development General Plan update, will be comprehensively taken into account at the outset of the development of the 2024 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

Per the appeal bases found in Government Code section 65584.05(b)(3), only Santa Ana may provide a change in circumstances basis for granting an appeal. In its comment letter, the City of Santa Ana acknowledges that the appeals filed present new information relating to Santa Ana and that the appeals “are in fact based on changed circumstances, which cannot be the basis for an appeal of Santa Ana’s RHNA by another city.” However, the City of Santa Ana has not filed an appeal and does not

¹³ In their GP Buildout Methodology, Santa Ana indicates: “The Center for Demographic Research (CDR) is the entity through which jurisdictions in Orange County distribute and generate population, housing, and employment projections for Orange County. This includes the use of Orange County projection (OCP) figures to communicate expected growth for the regional transportation plan. The latest OCP figures were finalized (September 2018) prior to the current land use planning and buildout efforts associated with the General Plan update. Interim adjustments can be made to the OCP figures if significant changes in land use or other policies will have a significant impact on the projections, and if these changes can be documented. The buildout for the Santa Ana General Plan will be finalized upon the adoption of the General Plan at the end of 2020, with implementation beginning in 2021. The General Plan land use plan and buildout projections will be incorporated into the OCP figures in 2021/2022.” [Adoption of the General Plan was tabled in November 2020.]

request a revision to its Draft RHNA Allocation based on changed circumstances, nor does it present information to suggest a revision would further the RHNA objectives. As such, the Appeals Board finds and determines that SCAG has no authority to revise Santa Ana's Draft RHNA Allocation on the bases of a change in circumstance per Government Code section 65584.05(b)(3).

Santa Ana's comment letter provides evidence, verified by SCAG staff, of 4,777 housing units of additional development potential which has been realized since the City completed its submissions to SCAG regarding future household growth in 2018. Based on the Final RHNA Methodology, DAC are capped at 1.0368 of their 2020-2045 household growth total. If such an adjustment was to be made to the 2020-2045 household growth input to RHNA ("projected need") for Santa Ana, application of the Final RHNA Methodology would increase Santa Ana's Draft RHNA Allocation by 4,949 units broken into 1,521 very-low income units, 940 low-income units, 1,360 moderate income units, and 4,215 above-moderate income units¹⁴.

Furthermore, if these 4,949 housing units were added to the City's projected need, effectively raising its 2020-2045 DAC growth cap, per the RHNA Methodology it would incrementally reduce the reallocation of the DAC growth cap residual to other jurisdictions within Orange County. Per Section H of SCAG's Appeals Procedures, the Appeals Board may make adjustments to the allocation of jurisdictions which are not the subject of an appeal and pursuant to the Final RHNA Methodology the above-referenced adjustment could result in concomitant decreases in RHNA allocations for 30 non-DAC jurisdictions in Orange County ranging between an estimated -12 to -672 total units.

However, and notwithstanding the *potential* for reallocation, Santa Ana's comment letter indicates that they are only agreeable to absorbing additional housing units in certain income categories (moderate and above moderate) — a proposal which cannot be accomplished within the confines the RHNA appeals process. The RHNA process requires the planning of a minimum number of units and nothing stops Santa Ana from adding housing units to any income category on its own through its planning process. Furthermore, there is no mechanism within the Final RHNA Methodology for restricting forecasted household growth to certain income categories. The RHNA Methodology would place 30.6% of the City's units into lower income categories no matter the total number. However, Santa Ana's comment letter does not request an appeal of its RHNA allocation and does not assert a

¹⁴ Santa Ana's original household growth (2,974) plus the additional amount identified (4,777) are multiplied by 1.0368 to yield a potential new total RHNA allocation of 8,036 units. This exceeds Santa Ana's draft RHNA allocation (3,087) by 4,949 units.

change in circumstance or a data correction meriting an adjustment to the City’s household growth input to the RHNA Methodology.

In sum, the appealing cities did not present a valid basis for appeal and SCAG staff cannot consider Santa Ana’s comment letter an assertion of a change in circumstance or a data correction meriting an adjustment to the Santa Ana’s household growth input to the RHNA Methodology for the 6th Cycle.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the appeals of the RHNA Allocation for the City of Sana Ana and finds that the City’s RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG’s Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 15, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kevin Kane, Senior Regional Planner,
(213) 236-1828, kane@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Santa Ana

RECOMMENDED ACTION:

Deny the appeals filed by:

1. The City of Garden Grove to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle (requested increase of 7,087 units),
2. The City of Irvine to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle and the availability of land suitable for urban development or conversion to residential use (requested increase of 10,000 units),
3. The City of Newport Beach to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle and the availability of land suitable for urban development or conversion to residential use (requested increase of 7,087 units), and
4. The City of Yorba Linda to increase the Draft RHNA Allocation for the City of Santa Ana based on the application of the Final RHNA Methodology for the 6th cycle (requested increase of 23,167 units).

While the appeals differ somewhat, they provide similar evidence and make substantively similar arguments. Namely, all four appeals argue that household growth forecast information provided by the City of Santa Ana pursuant to SCAG's Bottom-Up Local Input and Envisioning Process in 2018 (see Attachment 1) is out of date. The Bottom-Up Local Input data was collected in a manner and format which was consistent throughout the region and the data provided to SCAG was the most recent and comprehensive data available to SCAG at the time on total household growth across the region. Since SCAG correctly executed Bottom-Up Local Input and Envisioning Process which generates necessary inputs to the Final RHNA Methodology, there is no basis for the appeals filed.

Santa Ana's comment letter provides information suggesting that an increased household forecast for 2020-2045 (which would impact its RHNA allocation) could be merited based on pipeline

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To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

development projects which have been identified since Santa Ana's Local Input in 2018. While Santa Ana may appeal its own RHNA Allocation and request a revision to its Draft RHNA Allocation based on either a correction in the data provided to SCAG or a change in circumstances, the appealing cities cannot appeal Santa Ana's RHNA Allocation based on a change in circumstance in Santa Ana. Also, the appealing cities are not able to better identify or correct the potential growth of Santa Ana.

Because the appealing cities have not presented a valid basis for appeal and SCAG staff cannot consider Santa Ana's comment letter an assertion of a change in circumstance or a data correction meriting an adjustment to the Santa Ana's household growth input to the RHNA Methodology for the 6th Cycle, staff recommends denying the appeals, and staff recommends no change to Santa Ana's Draft RHNA Allocation. However, if Santa Ana is willing to present Attachment 2 of its comment letter – City of Santa Ana Major Development Pipeline Project as updated information for SCAG to consider in the 6th Cycle and if the City is willing to adjust its RHNA Allocation consistent with the Final RHNA Methodology and in furtherance of the RHNA objectives, SCAG can adjust Santa Ana's allocation as detailed in the "Rationale for Staff Recommendation" below.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

Unlike previous cycles of RHNA, Government Code section 65584.05(b) now permits local jurisdictions to appeal the Draft RHNA Allocation of other jurisdictions in the region, in addition to their own on bases other than changed circumstances. Garden Grove, Irvine, Newport Beach, and Yorba Linda have each appealed Santa Ana's Draft RHNA Allocation. Pursuant to SCAG's 6th cycle Appeals Procedures, appeals shall be organized by the jurisdiction subject to the appeal and as such this report provides SCAG staff recommendation regarding Santa Ana's Draft RHNA Allocation, considering all four appeals filed and comments received.

Garden Grove and Yorba Linda have appealed Santa Ana's Draft RHNA Allocation on the basis of application of the methodology, arguing that it should be higher. Irvine and Newport Beach also argue for an increase in Santa Ana's RHNA Allocation, but do so on the basis of both application of the methodology and on the basis of the availability of land suitable for urban development or conversion to residential use.

While the appeals differ somewhat, they provide similar evidence and make substantively similar arguments. Namely, all four appeals argue that household growth forecast information provided by the City of Santa Ana pursuant to SCAG's Bottom-Up Local Input and Envisioning Process in 2018

(see Attachment 1) is out of date. As such an update to this information, which is an input to the RHNA Methodology, is merited for the purposes of the RHNA Allocation.

Two major sources of new information are provided. The first is a review of development pipeline projects recently approved, under review, or entitled totaling between 7,594 and 9,891 new units. The second is a June 2020 document which is part of the City of Santa Ana's under-development general plan update entitled "GP Buildout Methodology," which identifies growth capacity. This document identifies a build-out capacity of 36,261 net new units city-wide.¹

Per the adopted RHNA Methodology, a growth cap is applied to defined disadvantaged communities (DAC) based on their 2020-2045 local input growth forecast. Since Santa Ana fits the RHNA Methodology's definition for a DAC, its Draft RHNA Allocation is capped based on its 2020-2045 local input growth forecast, at 3,087 units.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeals and recommend denying the appeals filed.

Staff does not recommend granting an appeal based on the application of the methodology [Government Code section 65584.05(b)(2)]. The DAC adjustment is part of the adopted RHNA Methodology and was described by HCD as an important component in ensuring that the Methodology furthers RHNA objective #5 regarding Affirmatively Furthering Fair Housing (AFFH). Santa Ana's draft RHNA allocation was calculated properly pursuant to the information submitted by the City during the local input process and documented through a signed Data Verification form (attached) that was returned to SCAG on October 2, 2018 approving the growth forecast information. In particular, Santa Ana participated in and provided extensive growth forecast input during 2018 including total household growth. The Bottom-Up Local Input data is the most recent and comprehensive data available to SCAG on total household growth across the region and, per the methodology, is reflected in the Draft RHNA Allocation for the City of Santa Ana and all other local jurisdictions in SCAG region. SCAG adhered to its established process for developing household growth forecast information in a manner that is comparable across the region for the purposes of the 6th cycle Final RHNA Methodology, and SCAG properly applied the Final RHNA Methodology in developing Santa Ana's Draft RHNA Allocation.

¹ Capacity is calculated by multiplying a theoretical allowed development level in each zone by the number of acres in that zone. This differs from a growth forecast which is an estimate of occupied building space/units at a particular point in time. The Santa Ana General Plan Update EIR, Appendix B Santa Ana General Plan Buildout Methodology, explains how buildout was calculated and also indicates that, "AECOM conducted a market analysis for the General Plan update in 2019 and 2020 (final Santa Ana Economic Indicators Report, May 2020). The report concluded that the demand for new residential development could reach upwards of 15,520 units through 2040 (including pipeline projects, [which would be 739 units per year over the 21 years 2019 to 2040] ... although the report also noted that housing demand could increase if the housing pipeline remains strong if it can increase its capture rate of countywide growth."

Similarly, staff does not recommend granting this appeal based on the local planning factor regarding the availability of land described in Government Code 65584.04(e)(2)(B). SCAG relies on the authority and planning expertise of each jurisdiction (and experts they rely upon²) to identify growth in each community consistent with the requirements of state law. Santa Ana met its obligations to provide information to SCAG during the RHNA process, and SCAG fully complied with the adopted Final RHNA Methodology in developing the City's Draft RHNA Allocation. New information regarding market absorption of units, which may include pipeline projects or an under-development General Plan update, will be comprehensively taken into account at the outset of the development of the 2024 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

Per the appeal bases found in Government Code section 65584.05(b)(3), only Santa Ana may provide a change in circumstances basis for granting an appeal. In its comment letter, the City of Santa Ana acknowledges that the appeals filed present new information relating to Santa Ana and that the appeals "are in fact based on changed circumstances, which cannot be the basis for an appeal of Santa Ana's RHNA by another city." However, the City of Santa Ana does not request a revision to its Draft RHNA Allocation based on changed circumstances nor does it present information to suggest a revision would further the RHNA objectives. As such, SCAG has no authority to revise Santa Ana's Draft RHNA Allocation on the bases of a change in circumstance per Government Code section 65584.05(b)(3).

Santa Ana's comment letter provides evidence, verified by SCAG staff, of 4,777 housing units of additional development potential which has been realized since the City completed its submissions to SCAG regarding future household growth in 2018. Based on the Final RHNA Methodology, disadvantaged communities (DAC) are capped at 1.0368 of their 2020-2045 household growth total. If such an adjustment was to be made to the 2020-2045 household growth input to RHNA ("projected need") for Santa Ana, application of the Final RHNA Methodology would increase Santa

² In their GP Buildout Methodology, Santa Ana indicates: "The Center for Demographic Research (CDR) is the entity through which jurisdictions in Orange County distribute and generate population, housing, and employment projections for Orange County. This includes the use of Orange County projection (OCP) figures to communicate expected growth for the regional transportation plan. The latest OCP figures were finalized (September 2018) prior to the current land use planning and buildout efforts associated with the General Plan update. Interim adjustments can be made to the OCP figures if significant changes in land use or other policies will have a significant impact on the projections, and if these changes can be documented. The buildout for the Santa Ana General Plan will be finalized upon the adoption of the General Plan at the end of 2020, with implementation beginning in 2021. The General Plan land use plan and buildout projections will be incorporated into the OCP figures in 2021/2022." [Adoption of the General Plan was tabled in November 2020.]

Ana's Draft RHNA Allocation by 4,949 units broken into 1,521 very-low income units, 940 low-income units, 1,360 moderate income units, and 4,215 above-moderate income units³.

Furthermore, if these 4,949 housing units were added to the City's projected need, effectively raising its 2020-2045 DAC growth cap, per the RHNA Methodology it would incrementally reduce the reallocation of the DAC growth cap residual to other jurisdictions within Orange County. Per Section H of SCAG's Appeals Procedures, the Appeals Board may make adjustments to the allocation of jurisdictions which are not the subject of an appeal and pursuant to the Final RHNA Methodology the above-referenced adjustment could result in concomitant decreases in RHNA allocations for 30 non-DAC jurisdictions in Orange County ranging between an estimated -12 to -672 total units.

Santa Ana's comment letter indicates that they are agreeable to absorbing additional housing units in certain income categories (moderate and above moderate) —a proposal which cannot be accomplished within the confines the RHNA appeals process. Furthermore, there is no mechanism within the Final RHNA Methodology for restricting forecasted household growth to certain income categories. The RHNA Methodology would place 30.6% of the City's units into lower income categories no matter the total number. Because SCAG staff cannot consider Santa Ana's comment letter an assertion of a change in circumstance or a data correction meriting an adjustment to the City's household growth input to the RHNA Methodology, staff recommends denying the appeals and making no change to Santa Ana's Draft RHNA Allocation for the 6th Cycle.

However, if Santa Ana is willing to present its identified development pipeline projects as updated information for SCAG to consider in the 6th Cycle and if the City is willing to adjust its RHNA Allocation consistent with the Final RHNA Methodology and in furtherance of the RHNA objectives, SCAG can adjust Santa Ana's allocation as detailed above.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Santa Ana: 3,087 units
Very Low Income: 584 units
Low Income: 361 units

³ Santa Ana's original household growth (2,974) plus the additional amount identified (4,777) are multiplied by 1.0368 to yield a potential new total RHNA allocation of 8,036 units. This exceeds Santa Ana's draft RHNA allocation (3,087) by 4,949 units.

Moderate Income: 522 units
Above Moderate Income: 1,620 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

Government Code section 65584.05(c) describes a 45-day public comment period during which local jurisdictions or HCD may comment on filed RHNA appeals. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

In addition, three comments were received during the 45-day comment period regarding appeals filed on the City of Santa Ana's draft RHNA allocation:

- The City of Cypress submitted a comment letter on November 11, 2020 supporting the appeals which request an increased RHNA Allocation for Santa Ana. Cypress contends that Santa Ana underreported its actual growth potential and the methodology's redistribution of residual need moves the distribution of housing needs further from Connect SoCal's greenhouse gas emissions goals.
- The City of Rancho Santa Margarita submitted a comment letter on December 2, 2020 supporting the appeals which request an increased RHNA Allocation for Santa Ana. Rancho Santa Margarita notes that Santa Ana has demonstrated significant development potential and has amongst the highest job and transit access in Orange County.
- The City of Santa Ana submitted a comment letter on December 10, 2020, attesting that
 - The statutory basis for an appeal based on the local planning factors related to land availability is not demonstrated, since the appeals at issue do not use *information submitted* under 65584.04; rather, they present new information which is "readily

- available” and other jurisdictions are not allowed to appeal based on changed circumstances.
- Santa Ana properly followed SCAG’s procedure for developing forecast data for Connect SoCal during 2018 (this procedure explained in Attachment 1 of this staff report)
 - On November 9, 2020 the Santa Ana Planning Commission voted to table its consideration of the proposed general plan indefinitely
 - Complimenting SCAG for adopting a methodology that attempts to further equity objectives, and requesting SCAG not allow appeals by wealthy and resource-rich cities to undermine its final RHNA methodology
 - Indicating that the City is agreeable to absorbing up to an additional 4,777 housing units in the Moderate and Above Moderate categories not to exceed a total RHNA of 7,864 units, a figure which is based on the City’s review of units in its pipeline project list which have been realized since, and were not included in, their 2018 local input submission of forecast data for Connect SoCal

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

Garden Grove, Irvine, Newport Beach, and Yorba Linda appeal Santa Ana’s Draft RHNA Allocation based on the application of the methodology, described in Government Code section 65584.05(b)(2):

“The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.”

Specifically, the four appellants all assert that in the case of Santa Ana, the Final RHNA Methodology’s so-called “DAC adjustment” and redistribution of residual housing need result in assigning housing need to jurisdictions which score more poorly in job accessibility and transit accessibility. In addition to not furthering the aforementioned objectives in 65584(d), the appellants also assert that for the same reason, this is inconsistent with Government Code 65584.04(m)(1) although this code section does not constitute a separate basis for appeal:

“It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation

plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.”

In addition to this main issue, individual appellants make related arguments.

- A. *Garden Grove proposes an alternative to the DAC adjustment found in the Final RHNA Methodology which uses a sliding scale to define a DAC rather than the hard cutoff which is currently used,*
- B. *Newport Beach and Irvine assert that the TCAC/HCD Opportunity Index Scores relied upon for this part of the Methodology are insufficient for this purpose, and*
- C. *Irvine asserts that this part of the Methodology was a last-minute addition with a substantial material effect and insufficient opportunities to review and comment.*
- D. *Yorba Linda questions Santa Ana’s designation as a DAC and the associated redistribution of units in other Orange County jurisdictions, especially in light of Santa Ana’s General Plan Update.*

In their comment letter, the City of Santa Ana attests that SCAG determined Santa Ana’s RHNA in accordance with the Final Methodology, that the appellants fail to cite an instance where the Methodology was not applied to Santa Ana exactly as required, and that their appeals urge SCAG to modify its Final Methodology, which cannot be done through an appeal.

SCAG Staff Response: The RHNA Methodology is a complex balance of several regional objectives ranging from jobs-housing balance to Affirmatively Furthering Fair Housing (AFFH). AFFH is one of the RHNA objectives described in Government Code 65584(d) and the residual reallocation is part of the adopted Final RHNA Methodology. The Final RHNA Methodology furthers the AFFH objectives by ensuring that RHNA allocations are not concentrated in jurisdictions with lower opportunity scores, reallocating them to jurisdictions with higher opportunity scores. The appellant jurisdictions assert that this reallocation is to the detriment of job and transit access because DAC jurisdictions may not receive allocation on those bases, compromising other statutory objectives and the SCS consistency described in Government Code 65584.04(m)(1)⁴. However, the residual reallocation at issue is made to non-DAC jurisdictions on the basis of their job and transit access levels. Furthermore, Government Code 65584.04(i) vests authority to assess whether a methodology furthers the statutory objectives in HCD. In HCD’s January 13, 2020 letter (attached), HCD finds that SCAG’s RHNA Methodology furthers all five statutory objectives, stating,

“HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology. This factor directs more lower income RHNA to higher opportunity areas and reduces allocations in segregated concentrated areas of poverty, as defined in the HCD/TCAC Opportunity Maps, which evaluate access to

⁴ Note that this code section is not the basis of an appeal.

opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes.”

Regarding Santa Ana specifically, the City scores relatively high in both job and transit accessibility⁵ (#20 and #14 in the SCAG region, respectively); however, the City is also amongst the most low-resourced jurisdictions in the region based on opportunity scores (3rd highest population in low/very low opportunity areas). As such, and in order to balance RHNA’s objectives, the RHNA Methodology’s DAC adjustment caps the RHNA unit total based on Santa Ana’s long-range (2045) plan as conveyed to SCAG during the Bottom-Up Local Input and Envisioning Process, specifically, 2020-2045 forecasted household growth plus 3.68%, to reflect the difference between HCD’s regional determination and Connect SoCal’s household forecast for that period. Santa Ana’s Data Verification form (attached) indicates that the City is in agreement with SCAG’s forecasted growth for Connect SoCal.

With respect to sub-issue A, Garden Grove proposes a modification to the Methodology to reconceive of the DAC adjustment as a sliding scale based on population in low/very low resourced areas rather than its manifestation in the RHNA Methodology, which is to designate a jurisdiction as low-resourced (“DAC”) if more than 50 percent of its population live in a low/very low Census Tract. However, this would constitute a change to the Methodology itself rather than a misapplication of the adopted Methodology per Government Code 65584.05(b)(1). As such, it cannot be considered by the Appeals Board.

With respect to sub-issue B, Newport Beach and Irvine assert that the purpose of the TCAC/HCD Opportunity Index Scores and Mapping were never intended to be used for calculating RHNA. While these appellants note “limitations” to this data source, such an argument is not unique to this, or any other data source. Not only had the 2019 opportunity mapping data been part of previous proposed variations of the methodology, but these data went through an extensive development and public review process during their development by the California Fair Housing Task Force (see <https://www.treasurer.ca.gov/ctcac/opportunity.asp>) and vetting through TCAC and HCD. As the above quotation from HCD’s January 13, 2020 letter makes clear, the use of these data in the Methodology were cited as a basis for HCD’s finding that the RHNA Methodology furthers RHNA’s statutory objectives.

With respect to sub-issue C, contrary to Irvine’s assertions, the SCAG Regional Council took action on both the Draft and Final RHNA Methodology pursuant to properly noticed agendas, and every member of the Regional Council, in addition to a significant number of members of the public, had ample opportunity to place on the record, both in writing and in person, their input for the Regional

⁵ 88.36% of Santa Ana’s future population will live in an HQTA, ranking 14 out of 197 in the SCAG Region. Future job access, 20.13%, 20th out of 197. Santa Ana ranks #3 with 89% of its approximately 338,000 present-day population in low or very-low resourced areas using this measure.

Council's consideration. For example, no less than fourteen (14) letters were acknowledged on the record and these were made available for public and SCAG review prior to the Regional Council's action on the Draft Methodology, all in compliance with applicable law. On March 5, 2020, SCAG Regional Council adopted the Draft Methodology as the Final Methodology.

Further, for the Draft Methodology, many members of the public offered oral testimony on the issue both in support of the original staff recommendation and in support of the alternative Draft RHNA Methodology that was ultimately approved after a robust discussion among the Regional Council, with staff offering input and answering questions as requested. Both methodologies had been presented in the staff report that was published in the November 7th Regional Council meeting agenda in advance of the meeting in accordance with applicable law. Finally, members of the Regional Council were given wide opportunity to offer input and comments during the course of the discussion and consideration of the item.

The November 7th Regional Council action was preceded by more than nine months of preparatory work and the regional planning process is necessarily complex and multi-faceted. That there are competing interests and priorities is not new. SCAG staff has been committed to fairness and transparency since the start of the RHNA process in October 2018.

With respect to sub-issue D, the delineation and treatment of DACs is part of the adopted final RHNA methodology and is therefore not a basis for appeal. As described above, this feature of the methodology is important in ensuring that RHNA's statutory objective to affirmatively further fair housing is met.

For these reasons, SCAG staff cannot recommend a change to Santa Ana's RHNA Allocation based on the application of the methodology (Government Code 65584.05(b)(2)). Ultimately, the adjustment at issue is part of the adopted Methodology which was found by HCD to further statutory objectives and cannot itself be changed through the appeals process.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

Irvine and Newport Beach appealed Santa Ana's RHNA Allocation on the basis of Government Code 65584.05(b)(1), which describes local planning factors:

"The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04."

Specifically, the appellants reference Government Code 65584.04(e)(2)(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.”

In addition, while Garden Grove does not formally indicate an appeal based on these grounds in its appeal form, its appeal letter cites this statutory language and similar evidence is provided. While Yorba Linda neither indicates an appeal on this ground on its form nor references this statutory language in its appeal letter, they present similar evidence as Irvine and Newport Beach’s sections covering this appeal basis.

The appellants provide evidence related to Santa Ana’s in-progress General Plan update and a variety of Non-Specific Plan and Specific Plan projects (“development pipeline projects”). A June 2020 document titled Santa Ana General Plan Buildout Methodology contains an estimate of potential housing unit growth of 36,261 units citywide. Specifically, Irvine notes that a section in this document specifically addresses its relationship to SCAG’s projections (page B-b-8). This section indicates that the extant projection data was finalized in September 2018, while the anticipated adoption of the General Plan update will be in late 2020, implementation will begin in 2021, and it will be incorporated into SCAG’s 2024 RTP/SCS.

Newport Beach and Garden Grove present identical analyses demonstrating 9,891 units of housing approved and/or planned for production by Santa Ana over the next several years (7,594 of which are not in a Specific Plan). Irvine presents a map of planned projects from the City of Santa Ana showing 7,338 units in projects planned from 2020-2045, a list of projects in various stages of planning or completion totaling 9,891 units, and photos of certain multifamily projects under construction. Irvine also asserts that the growth projection for the City of Santa Ana is outdated considering this new evidence.

Santa Ana’s comment letter indicates that the Santa Ana Planning Commission voted on November 9, 2020 to table its consideration of the proposed General Plan. No further meetings are scheduled, and Santa Ana contends that the General Plan buildout projections cannot be considered to be valid projections of future growth in Santa Ana. However, the comment letter identifies 4,777 units worth of development pipeline projects which have been realized since the City completed its local input household growth submission to SCAG in 2018.

SCAG Staff Response: SCAG’s procedure for developing the jurisdiction-level forecast for the City of Santa Ana is described in Attachment 1: Local Input and Development of the Draft RHNA Allocation. Following an in-person meeting in March 2018, a signed Data Verification form

(attached) was returned to SCAG on October 2, 2018 approving the growth forecast information, which was developed in order to be consistent with Orange County Projections (OCP). The 2020-2045 household growth total of 2,974 was included in Connect SoCal (3.85% total growth). Connect SoCal's Demographics and Growth Forecast Technical Report⁶ includes a review of the forecast at a regional level, which includes Santa Ana's household growth total, and found it to be technically sound. The RHNA Methodology, which includes the aforementioned DAC adjustment, results in a draft RHNA allocation of 3,087 units which is based on this figure, adjusted upward by 3.68%.

SCAG has conducted a technical assessment of the General Plan update and pipeline project lists provided by the appellant jurisdictions and Santa Ana's comment letter.

General Plan

While Attachment 3 to Irvine's appeal shows that Santa Ana's Planning Commission was considering the General Plan update for recommendation to the City Council for approval in December 2020, Santa Ana's comment letter indicates that on November 9, 2020, the Planning Commission voted to table its consideration to allow for additional community outreach with no future Commission or City Council meetings scheduled. The City further represents:

"At this point, it is not possible to predict what land use changes will be included in whatever plan is ultimately adopted, and the preliminary general plan buildout projections cannot be considered valid projections of future growth in Santa Ana."

The existing Santa Ana General Plan was last comprehensively updated in 1982. While the General Plan update may have been in development, it was never presented to SCAG for consideration during the Local Input process in 2018.

SCAG staff have evaluated the General Plan evidence submitted by appellant jurisdictions which indicates a build-out capacity of 36,261 net new housing units.⁷ However, the growth forecasting processes used by the regional Connect SoCal Plan are not equivalent to a build out scenario. For the Connect SoCal forecast, the region and county's components of population growth such as fertility, mortality, domestic migration, and immigration, are balanced with local land use information in order to estimate occupied housing units (households) in each jurisdiction. Since SCAG's regional household forecast was within acceptable ranges, but lower than the preliminary forecast's baseline or mid-range level⁸, if additional capacity had been identified as available in Santa Ana's General Plan, regional and county components would support a 2020-2045 household

⁶ https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf

⁷ *Ibid* pg. 3

⁸ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579.

forecast well in excess of the 2,974 additional households currently forecasted during this period for the City but below the indicated build-out capacity of 36,261.

SCAG acknowledges that a General Plan update in its final stages for the region’s fourth-largest city would likely have a substantial impact on future land use and the validity of these regional assessments over such a long time horizon. While SCAG is principally concerned with ensuring county-level and regional-level forecast balance and relies in large part on local expertise to verify data at smaller spatial scales, a likely or potential upcoming change of such magnitude, particularly to one of the region’s largest cities, would merit discussion and analysis during the Bottom-Up Local Input and Envisioning Process. If this information were available and presented to SCAG at the time of the local input process in 2018, it certainly would have been used to develop the regional forecast. Indeed, once the General Plan Update is adopted, the information will be incorporated into SCAG’s 2024 RTP/SCS.

In sum, SCAG properly considered information presented by Santa Ana pursuant to the 2018 Local Input process, including land availability, and SCAG staff does not recommend a change based on this evidence.

Development Pipeline Projects

SCAG staff has evaluated the lists of development pipeline projects submitted by appellant jurisdictions. Specifically, staff have evaluated the list of major development pipeline projects submitted in the City of Santa Ana’s comment letter as Attachment 2. This list:

- Includes a total of 10,857 units
- Includes all projects listed in appellant jurisdictions’ lists, and
- Concludes that projects with a current unit total of 4,777 can be verified as newly considered as being reasonably foreseeable⁹ compared to when the City completed its submissions to SCAG regarding future household growth in 2018

SCAG sought to verify Santa Ana’s assessment that all projects were included in the Connect SoCal forecast. The forecast process, as described in Attachment 1, included an in-person meeting in March 2018 and various follow-ups culminating in the City’s submission of the attached Data Verification Form on October 2, 2018 which confirms the following household forecast:

	2016	2020	2030	2035	2045
Santa Ana Households	73,919	77,159	79,637	79,742	80,133

⁹ Individual projects are subject to socio-economic fluctuations and until individual projects are constructed and occupied, their future remains somewhat uncertain.

The above table of jurisdiction-level household totals includes estimates and projections for the years requested during the local input process, and reflects totals used in the final Connect SoCal forecast. Santa Ana's longer-term 2020-2045 growth trajectory is 2,974 households (119 units per year, or 214 units per year over 2016 to 2045). The shorter-term 2016-2020 trajectory is 3,240 units (higher, at 810 units per year). The 6th cycle RHNA calculations takes a long-term approach to forecasting growth but nonetheless likely includes several of the listed projects in Santa Ana's attachment 2.

In order to assess the theoretical impact of the current pipeline projects on the Connect SoCal forecast (2016-2045), staff first identified the Transportation Analysis Zones (TAZs) in which each project lies (see attached map). Pipeline projects were identified as being in 24 distinct TAZs. SCAG then compared the forecasted growth in each TAZ from 2016-2045 against the total pipeline projects. If the pipeline projects would result in larger TAZ growth totals than the entire SCAG forecast for that TAZ, then an increase in 2020-2045 growth may be merited.

SCAG identified 40 projects totaling 4,777 units that were not included in the Connect SoCal forecast. The Connect SoCal forecast is based on data conveyed by Santa Ana in 2018. The difference between the higher unit totals provided in the appellant jurisdictions' lists is attributable to two principal factors:

- Projects accounted for in the 2016-2045 forecast
- Additional projects identified in Santa Ana's comment letter and appellant jurisdictions' lists¹⁰

This analysis indicates that the inclusion of pipeline projects could add 4,777 units above and beyond those already included in Connect SoCal's forecast and as such could reasonably merit their inclusion in a 2020-2045 household growth total for Santa Ana.

However, SCAG appropriately considered the pipeline projects available during the 2018 local input process as presented by the City, and this information was included in the input data for use in the Final RHNA Methodology. Therefore, SCAG staff cannot recommend a change to Santa Ana's Draft RHNA Allocation based on the land availability factor described in Government Code

¹⁰ The majority of this difference is attributable to three projects which Santa Ana describes in footnotes of Attachment 2 to its comment letter: MainPlace Mall Revitalization Specific Plan, 2700 Main Street Apartments, and Magnolia at the Park. While the City of Irvine's list indicates a total of 2,399 units across these three projects, Santa Ana confirms a total of 1,903 units in the pipeline based on these projects. Santa Ana further estimates that constraints including needed zoning and general plan changes preclude considering any development at 2700 Main Street Apartments or Magnolia at the Park as likely; and that due to a development agreement the total for MainPlace Mall should be 511 units. As described above regarding the City's pending General Plan update, a more comprehensive review of development likelihood on a project-level would also be anticipated to take place during the Bottom-Up Local Input and Envisioning Process for SCAG's 2024 RTP/SCS; however, site-specific development constraints do not necessarily preclude SCAG from considering such projects in its long-range forecast.

65584.04(e)(2)(B). While this information might be considered either a correction or a change in circumstance, only Santa Ana can make these assertions and request a change to its Draft RHNA Allocation consistent with the Final RHNA Methodology and in furtherance of the RHNA objectives.

Santa Ana's Comments

Government Code section 65584.05(d) outlines the procedure for the appeal hearing and indicates that:

*“No later than 30 days after the close of the comment period, and after providing all local governments within the region or delegate subregion, as applicable, at least 21 days prior notice, the council of governments or delegate subregion shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) **and all comments received** pursuant to subdivision (c).” [emphasis added]*

Santa Ana's comment letter, which must be considered in the appeal hearing, provides evidence which has been verified by SCAG staff of 4,777 housing units of additional development potential. However, while these units may now be considered reasonably foreseeable, they were not reasonably foreseeable when the City completed its submissions to SCAG regarding future household growth in 2018 and were not included in the 2020-2045 household growth total for Santa Ana.

Santa Ana indicates that the City is agreeable to absorbing up to an additional 4,777 housing units from the region in the moderate and above-moderate income categories only. However, this proposal is not consistent with SCAG's correctly executed process for generating necessary inputs to the Final RHNA Methodology since there is no mechanism for forecasted household growth to be restricted to certain income categories. The Final RHNA Methodology applies a social equity adjustment to allocate total housing units to four income categories only after considering all the inputs to total RHNA units—a change to this step would constitute a change to the Methodology itself which is not permitted through an appeal. Any adjustment to Santa Ana's unit total would require allocating 30.6% of the units to lower income categories in order to maintain consistency with the Final RHNA Methodology.

If the Final RHNA Methodology is applied and the total housing units could be adjusted to all income categories the adjustment would satisfy the RHNA objectives. Government Code section 65584.05(b) provides that revisions must further the intent of RHNA's statutory objectives and must be consistent with the development patterns in a Sustainable Communities Strategy (SCS, i.e. Connect SoCal). An upward adjustment to Santa Ana's household forecast data based on projects which mostly represent urban infill, in a jurisdiction which scores highly in the RHNA methodology's job and transit access measures largely relied upon to demonstrate consistency with SCS

development patterns would not change this finding. Further, such an adjustment would not change the Methodology itself nor how the “DAC adjustment” and “residual” features of the Methodology further the RHNA objective to Affirmatively Further Fair Housing (AFFH).

While the RHNA Methodology has identified Santa Ana as a DAC on the basis of its Opportunity Scores, which qualifies it for a reduction of its housing need as part of a regional strategy to reduce overconcentration of housing—especially lower-income housing—in lower-opportunity areas, it is also the 4th largest city in the SCAG region and experiences the region’s 3rd highest household overcrowding rate at 31% (2018 ACS). As such, an increase in RHNA Allocation which still keeps Santa Ana’s total allocation of lower-income units as the lowest among the region’s large jurisdictions would not likely compromise the regional AFFH objective.¹¹

A change to the 2020-2045 household growth input to RHNA (“projected need”) for Santa Ana and applied to the Final RHNA Methodology would increase its Draft RHNA Allocation by 4,949 units to a total of 8,036 broken into 1,521 very-low income units, 940 low-income units, 1,360 moderate income units, and 4,215 above-moderate income units. If these 4,949 housing units were added to the City’s projected need, effectively raising its 2020-2045 DAC growth cap per the RHNA Methodology, it would affect the reallocation of the DAC growth cap residual to other jurisdictions within Orange County. Per Section H of SCAG’s Appeals Procedures, the Appeals Board may make adjustments to the allocation of jurisdictions which are not the subject of an appeal and pursuant to the Final RHNA Methodology the above-referenced change would result in concomitant decreases in RHNA allocations for 30 non-DAC jurisdictions in Orange County ranging between an estimated -12 to -672 total units.

Also, per the appeal bases found in Government Code section 65584.05(b)(3), only Santa Ana may assert a change in circumstances as a basis for granting an appeal. Alternatively, Santa Ana may provide a correction to the data it presented to SCAG for consideration in the Local Input process to revise its draft RHNA Allocation. Santa Ana has done neither here.

Because SCAG staff cannot consider Santa Ana’s comment letter an assertion of a change in circumstance or a data correction meriting an adjustment to the City’s household growth input to the RHNA Methodology for the 6th Cycle, staff recommends denying the appeals and making no change to Santa Ana’s Draft RHNA Allocation. However, if Santa Ana is willing to present its identified development pipeline projects as updated information for SCAG to consider in the 6th Cycle and if the City is willing to adjust its RHNA Allocation consistent with the Final RHNA Methodology and in furtherance of the RHNA objectives, SCAG can adjust Santa Ana’s allocation as detailed above, i.e., increase Santa Ana’s draft RHNA allocation by 4,949 units for all income categories, for a total of 8,036 units.

¹¹ E.g. amongst the SCAG region’s 16 jurisdictions which have a population greater than 200,000, according to 2019 DOF estimates.



FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Methodology (City of Santa Ana)
2. Garden Grove Appeal of Santa Ana's Draft RHNA Allocation and Supporting Documentation
3. Irvine Appeal of Santa Ana's Draft RHNA Allocation and Supporting Documentation
4. Newport Beach Appeal of Santa Ana's Draft RHNA Allocation and Supporting Documentation
5. Yorba Linda Appeal of Santa Ana's Draft RHNA Allocation and Supporting Documentation
6. Santa Ana Local Input Data Verification Form (2018)
7. Santa Ana Projects Map (SCAG's Review)
8. HCD Review of SCAG Draft RHNA Methodology (Jan 13, 2020)
9. Comments Received during the Comment Period

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Santa Ana had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Santa Ana's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.¹² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.¹³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Santa Ana, the anticipated number of households in 2045 was 80,133 (growth of 2,974 households from 2020-2045). In March 2018, SCAG staff and CDR staff met with

¹² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

¹³ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff from the City of Santa Ana to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Santa Ana submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmddm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Santa Ana and incorporated them into the Growth Vision in December 2019. The City of Santa Ana's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d).)

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.¹⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

¹⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Santa Ana

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Santa Ana received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Santa Ana as summarized in the data and calculations in the tables below.

Santa Ana city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	2044
Percent of households who are renting:	55%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	3,087
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	20.13%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,023,000
Share of region's job accessibility (population weighted):	2.66%
Jurisdiction's HQTAs population (2045):	318,180
Share of region's HQTAs population (2045):	3.11%
Share of population in low/very low-resource tracts:	88.81%
Share of population in very high-resource tracts:	0.00%
Social equity adjustment:	170%

Calculation of Draft RHNA Allocation for Santa Ana city	
Forecasted household (HH) growth, RHNA period:	2044
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	70
Replacement Need	-
TOTAL PROJECTED NEED:	2114
Existing need due to job accessibility (50%)	11125
Existing need due to HQTAs pop. share (50%)	13016
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	-23168
TOTAL EXISTING NEED	973
TOTAL RHNA FOR SANTA ANA CITY	3087
Very-low income (<50% of AMI)	584
Low income (50-80% of AMI)	361
Moderate income (80-120% of AMI)	522
Above moderate income (>120% of AMI)	1620

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 318,180 living within HQTAs, the City of Santa Ana represents 3.11% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Santa Ana’s median TAZ, it will be possible to reach 20.13% of the region’s jobs in 2045 within a 30-minute automobile commute (2,023,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

While allocating housing need on the basis of job and transit accessibility is consistent with the statutory objectives of RHNA and represents factors in which Santa Ana scores very highly, in the SCAG region many jurisdictions with especially high job and transit accessibility are lower-income and lower-resourced. The methodology applies a maximum to these so-called disadvantaged communities (DACs) equal to the 2045 household growth forecast, as described above. While Santa Ana’s existing need factors score highly, as a DAC a residual factor of -23,168 is applied such that the City’s total RHNA housing unit need of 3,087 units is not in excess of its 2020-2045 forecasted household growth plus approximately 3 percent.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF SOUTH GATE

Hearing Date: January 8, 2021

The City of South Gate has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

Attachment: Determination Regarding Appeal from the City of South Gate (Final Determination of Appeals Decisions)

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of South Gate submits an appeal and requests a RHNA reduction of 1,632 units (of its draft allocation of 8,263 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) – the City is unfairly burdened by the application of the methodology compared to surrounding jurisdictions
- 2) Affirmatively furthering fair housing – the City is impacted by factors such as low income, poverty and, minority concentrations but was not considered a disadvantaged community

A. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 8, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010821fullagn.pdf?1609455450>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the RHNA methodology, the City does not provide evidence of misapplication of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 - 2029).
- 2) Regarding affirmatively furthering fair housing, the City did not provide evidence that it has a majority of its population (over 50 percent) within areas of high segregation and poverty or low resource areas, as defined by the California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 8, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Karen Calderon, Associate Regional Planner,
(213) 236-1983, calderon@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of South Gate

RECOMMENDED ACTION:

Deny the appeal filed by City of South Gate to reduce the Draft RHNA Allocation for the City of South Gate by 1,632 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL:

The City of South Gate requests a reduction of its RHNA allocation by 1,632 units (from 8,263 units to 6,631 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Affirmatively furthering fair housing

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of South Gate’s RHNA allocation. Regarding Issue 1, the City does not provide evidence of misapplication of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 - 2029). Regarding Issue 2, the jurisdiction did not provide evidence that it has a majority of its population (over 50 percent) within areas of high segregation and poverty or low resource areas, as defined by the California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of South Gate (Final Determination of Appeals Decisions)

Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of South Gate: 8,263 units

- Very Low Income: 2,131 units
- Low Income: 991 units
- Moderate Income: 1,171 units
- Above Moderate Income: 3,970 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of South Gate. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 - 2029) [Government Code Section 65584.05 (b)(1)].

The City of South Gate argues that it is unfairly burdened by the application of the methodology compared to surrounding jurisdictions in the Gateway Cities COG, resulting in a required growth of 33.7 percent over existing housing stock in the next 8 year which is unobtainable for a City built in an urban environment.

SCAG Staff Response: SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. State statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow sufficient time for the development of a methodology, appeals, and local housing element updates. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs assessment. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

SCAG recognizes that a 33.7 percent increase in housing units for the City of South Gate is substantial compared to the existing housing stock. This is largely a result of the high regional housing number of 1,341,827 called for by HCD in their regional determination for SCAG. According to the state Department of Finance’s 2019 data the region had 6,592,458 housing units—meaning that HCD expects the entire region to plan for a 20.4% increase in units.

Ultimately whether a city is above or below this regional average level depends on factors explained in the RHNA methodology. While comparing a RHNA allocation versus the existing housing stock may provide an intuitive comparison of magnitude, it is not a measure which is referenced in statute related to the regional determination or allocation methodology. Thus, SCAG staff does not recommend a reduction to its Draft RHNA Allocation based on this factor.

While SCAG understands that South Gate is located in an urban environment, pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in Section 65584.04(e)(2)(b), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or

alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Issue 2: Affirmatively furthering fair housing.

The City argues that South Gate is equally, if not more, impacted by factors such as low income/poverty and minority concentrations compared to other DACs. However, because the designation of "disadvantaged" is not applied at the census tract level in the RHNA methodology, South Gate is being burdened with an additional 667 units of the residual need despite being impacted by similar factors as other DACs in the Gateway Cities COG. The City provides a supporting composite index and figures to demonstrate levels of low-income, poverty, and minority populations in South Gate relative to other Gateway cities who were considered DACs.

SCAG Staff Response: The adopted RHNA methodology has a clear delineation to determine whether a jurisdiction is identified as a disadvantaged community, or DAC. The adopted RHNA methodology defines a DAC as a jurisdiction where more than half of its population lives in high segregation and poverty or low resource areas as defined by the California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores.¹ Per this methodology, DACs where the calculated projected and existing need is higher than the jurisdiction's household growth between 2020 and 2045 are considered as having "residual" existing need. Residual need was subtracted from jurisdictional need in these cases so that the maximum a DAC jurisdiction would receive for existing need is equivalent to its 2020 to 2045 household growth. In other words, this household growth is a cap on units to be allocated to DACs. Residual existing need was tabulated by county and then redistributed within the same county to non-DAC jurisdictions. The purpose of this was to further two of the five objectives of State housing law, avoiding an overconcentration of lower income households where they are already located and affirmatively further fair housing. The adopted methodology was applied consistently across all jurisdictions in the SCAG region. HCD agrees with this:

"This cap furthers the statutory objective to affirmatively further fair housing by allocating more units to high opportunity areas and fewer units to low resource communities, and concentrated areas of poverty with high levels of segregation." (HCD Letter at p.2).

¹ The TCAC and HCD Opportunity mapping tool includes a total of 11 census-tract level indices to measure exposure to opportunity based on measures of economic, environmental, and educational factors (poverty, adult education, employment, low-wage job proximity, medium home value, CalEnviroScreen 3.0 indicators, math/reading proficiency, high school graduation rates, and student rate poverty). Regional patterns of segregation are also identified based on this tool. Based on its respective access to opportunity, each census tract is given a score that designates it under one of the following categories: High segregation & poverty, Low resource, Moderate resource, High resource, and Highest resource. Tract-level indices were summed to the jurisdictional-level by SCAG using area-weighted interpolation. Using 2013-2017 American Community Survey population data, SCAG determined the share of each jurisdiction's population in each of these five categories.

Using this adopted RHNA methodology, the City of South Gate's population in low/very low-resource tracts is 47.88 percent, which is below the 50 percent threshold to be considered a DAC. While SCAG recognizes there may be other ways to assess resource levels, disadvantage, and segregation, such as the City of South Gate's composite index and figures, alternative methodologies to define DACs cannot be considered as part of the RHNA appeal process. Furthermore, the City does not suggest that SCAG improperly applied the RHNA methodology with respect to DACs. Moreover, the jurisdiction has not provided evidence that it has a majority of its population (over 50 percent) within areas of high segregation and poverty or low resource areas, as defined by the California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores. As such, it cannot be considered as a DAC under the adopted RHNA methodology (despite having 51% of the population being comprised of lower income households).

One of the five objectives of RHNA law is to ensure that the RHNA allocation plan allocates "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". (Govt. Code § 65584(d)(4)). While SCAG staff accepts the assertion that the jurisdiction has a currently disproportionately high percentage of lower income households in comparison to the County of Los Angeles (51% and 41%, respectively), the RHNA methodology, as noted above, is based on the TCAC/HCD Opportunity Index scores not just income and addresses this disparity through its social equity adjustment and inclusion of access to resources as an influencing factor.

To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing (AFFH), the RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution in comparison to county distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories. For example, for the City of South Gate, 24% of the jurisdiction's Draft RHNA Allocation is assigned for the very low income category, which is lower than its current 29% and lower than the county distribution of 26%. Thus, the RHNA methodology, and by extension the jurisdiction's Draft RHNA Allocation, has already considered this objective to ensure that there is not an overconcentration of lower income households in these currently impacted areas. For this reason, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).



ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of South Gate)
2. Appeal Form and Supporting Documentation (City of South Gate)
3. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of South Gate had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of South Gate's Draft RHNA Allocation.

1. Local Input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.² Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.³ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Input from the City of South Gate on the growth forecast was received in November 2018. Following input, household totals were 23,992 in 2020 and 24,621 in 2030 (growth of 629 households), for a reduced household growth during this period of 1,781 from preliminary growth forecast data.

b. RHNA Methodology Surveys

² While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

³ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of South Gate submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. *Connect SoCal Growth Vision and Additional Refinements*

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical

refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of South Gate from which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in

Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁴ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of South Gate

⁴ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of South Gate received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of South Gate as summarized in the data and calculations in the tables below.

South Gate city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	519
Percent of households who are renting:	56%
Housing unit loss from demolition (2009-18):	2
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,666
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	18.20%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,829,000
Share of region's job accessibility (population weighted):	0.75%
Jurisdiction's HQTAs population (2045):	95,519
Share of region's HQTAs population (2045):	0.93%
Share of population in low/very low-resource tracts:	47.88%
Share of population in very high-resource tracts:	0.00%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for South Gate city	
Forecasted household (HH) growth, RHNA period:	519
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	18
Replacement Need	2
TOTAL PROJECTED NEED:	539
Existing need due to job accessibility (50%)	3150
Existing need due to HQTAs pop. share (50%)	3907
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	667
TOTAL EXISTING NEED	7724
TOTAL RHNA FOR SOUTH GATE CITY	8263
Very-low income (<50% of AMI)	2131
Low income (50-80% of AMI)	991
Moderate income (80-120% of AMI)	1171
Above moderate income (>120% of AMI)	3970

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 95,519 living within HQTAs, the City of South Gate represents 0.93% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of South Gate's median TAZ, it will be possible to reach 18.20% of the region's jobs in 2045 within a 30-minute automobile commute (1,829,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 - Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 667 units assigned to the City of South Gate.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF SOUTH PASADENA

Hearing Date: January 11, 2021

The City of South Pasadena has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of South Pasadena submits an appeal and requests a RHNA reduction of 846 units (of its draft allocation of 2,062 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) – the City objects to HCD's regional calculation and the use of HQTAs in calculating a jurisdiction's allocation, City believes local factors such as its designated historic districts and protected open spaces are not adequately taken into account.*
- 2) Sewer or water infrastructure constraints for additional development – the City contends that it lacks the water and sewage capacity to support the RHNA allocation.
- 3) Availability of land suitable for urban development or for conversion to residential use – the City indicates it has few parcels suitable for residential development because of historic resources (see 4 below) and a quarter of the City located on hillsides.
- 4) Lands protected from urban development under existing federal or state programs -- the City asserts that the entire city of South Pasadena was listed as one of the National Trust for Historic Preservation's "11 most Endangered Places in America" and that 38 percent of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources along with 72 designated and eligible historic districts, each of which are considered a historic resource for purposes of CEQA.
- 5) Affirmatively furthering fair housing.*
- 6) Changed circumstances – COVID-19 will result in long-lasting changes to public transportation, daily commutes, and the structure of workplaces, all of which undermine the use of HQTAs as a primary factor in the allocation of housing units.*

Other: The City also notes the potential for a negative impact on schools.

* While the City has indicated affirmatively furthering fair housing (AFFH) as a basis for appeal on its RHNA Appeal Request form, the City does not appear to make an AFFH argument with respect to the information submitted in its appeal documentation. The City suggests that the methodology used to develop the regional determination was flawed and that the resultant overestimation of regional housing need obscures larger obstacles to affordable housing, including the lack of funding for affordable housing production.

A. Appeal Board Hearing and Review

The City’s appeal was heard by the RHNA Appeals Board on January 11, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City’s appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City’s bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City’s staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011121fullagn_0.pdf?1609868354). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board’s Decision

Based upon SCAG’s adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1), 5), and 6) Regarding application of the Final RHNA Methodology, affirmatively furthering fair housing and changed circumstances, the City proposes the Final RHNA Methodology be revised to reduce reliance on HQT population, thereby reducing South Pasadena’s RHNA allocation. While there has been an increase in telecommuting due to the COVID-19 pandemic, this circumstance is not limited to only one jurisdiction. Moreover, there is no certainty as to how long this increase in telecommuting will continue. Impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. The adopted Final RHNA Methodology is not an eligible basis for appeal as it was determined by HCD to further the five statutory objectives. An appeal citing the application of the adopted RHNA methodology as its basis must refer to the application of the methodology, not the methodology itself.

- 2) Regarding sewer and water infrastructure, evidence that decisions made by the applicable utility service providers would preclude the construction of the allocated new housing units was not provided by the City. Additionally, costs incurred to upgrade and develop appropriate sewer and water infrastructure may not be considered as justification for a RHNA allocation reduction.
- 3) and 4) Regarding availability of land suitable for urban development or for conversion to residential use and lands protected from urban development under existing federal or state programs, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.

Other: Per Government Code Section 65584.05, potential impacts on school districts is not an eligible basis for an appeal.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Michael Gainor, Senior Regional Planner,
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of South
Pasadena

RECOMMENDED ACTION:

Deny the appeal filed by the City of South Pasadena (the City) to reduce its Draft RHNA Allocation by 846 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

SUMMARY OF APPEAL:

The City of South Pasadena requests a reduction of its RHNA allocation by 846 units (from 2,062 units to 1,216 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Sewer or water infrastructure constraints for additional development
- 3) Availability of land suitable for urban development or for conversion to residential use
- 4) Lands protected from urban development under existing federal or state programs*
- 5) Affirmatively furthering fair housing*
- 6) Changed circumstances

Other: The City also notes the potential for a negative impact on schools.

* While the City has indicated affirmatively furthering fair housing (AFFH) as a basis for appeal on its RHNA Appeal Request form, the City does not appear to make an AFFH argument with respect to the information submitted in its appeal documentation. Rather, the City suggests that the methodology used to develop the regional determination was flawed and that the resultant overestimation of regional housing need obscures larger obstacles to affordable housing, including

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of South Pasadena (Final Determination of Appeals Decisions)



the lack of funding for affordable housing production.

RATIONALE FOR STAFF RECOMMENDATION:

SCAG staff have reviewed the appeal and recommend no change to the City of South Pasadena’s RHNA allocation. With respect to issues 1, 4, 5, and 6, the City proposes that the Final RHNA Methodology be revised to reduce reliance on HQTAs population, reducing South Pasadena’s RHNA allocation accordingly. However, the recommendation of revising the adopted RHNA allocation methodology is not an eligible basis for appeal.

Regarding Issue 2, evidence that decisions made by the applicable utility service providers would preclude the construction of the allocated new housing units was not provided by the City in its appeal. Additionally, costs incurred to upgrade and develop appropriate sewer and water infrastructure may not be considered by SCAG as a justification for a RHNA allocation reduction. Arguments provided by the City in support of Issue 3 were not accepted because the City is required to consider the possibility of alternate land use opportunities and zoning to accommodate its housing need. Per Government Code Section 65584.05, potential impacts on school districts is not an eligible basis for an appeal.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary of the RHNA allocation for South Pasadena is provided below.

Total RHNA for the City of South Pasadena: 2,062 units

- Very Low Income: 755 units
- Low Income: 397 units
- Moderate Income: 333 units
- Above Moderate Income: 577 units

Additional background information related to the draft RHNA allocation for the City of South Pasadena is included in Attachment 1.

Summary of Comments Received During 45-day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) in specific regard to the appeal filed by the City of South Pasadena. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issues 1 and 5: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)] and affirmatively furthering fair housing and changed circumstances [Government Code 65584.05(b)].

The City of South Pasadena argues that the regional allocation determined by HCD was miscalculated and should be revised.

The City requests a reduction to its RHNA allocation based on lands protected from urban development under existing Federal or State programs. The City cites that 38 percent of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources along with 72 designated historic districts. The City argues that this substantial historic inventory significantly limits land availability and sites suitable for new housing development.

The City requests that SCAG reconsider assumptions for the HQTAs designations within South Pasadena and reduce the City's allocation based on HQTAs and job accessibility by 48 percent each. The City cites local data and conditions that do not support SCAG's reliance on HQTAs, nor the metric of a 0.5-mile radius. The City claims that 46 percent of the HQTAs coverage area assigned to South Pasadena conflicts with historic districts and protected open space, and four percent of the HQTAs area is without sidewalks and/or has grades in excess of five percent. The City requests a 48 percent reduction of its assigned "existing need due to HQTAs population share" and of its "existing need due to job access share" based on local input.

The City further emphasizes the need to consider local factors in determining HQTAs by citing data finding that 84 percent of South Pasadena residents drive a car to work while only five percent use public transportation. The City argues that this proves local data does not support the causal connection inherent in the allocation of more housing in HQTAs to facilitate the use of public

transportation by commuters. South Pasadena further argues that this factor is undermined both by the Governor’s Executive Order banning the sale of carbon-emission vehicles by 2035 (addressing concerns for commuting emissions underlining the emphasis placed on HQTAs) and the impact of the COVID-19 pandemic on the share of residents working from home.

SCAG Staff Response: While the City provides arguments under the heading of “Information Furthering Fair Housing and Allocation Methodology Used by SCAG”, the arguments presented do not reflect this topic; rather, they relate more specifically to challenging HCD’s regional housing needs determination and the adopted Final RHNA Methodology in regard to several factors cited in their appeal.

HCD Regional Housing Needs Determination

SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs assessment. Only an improper application of the RHNA methodology is eligible for appeal. An example of an improper application of the adopted methodology might be a data error identified by a local jurisdiction.

With respect to the statutory objectives, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which may be used to evaluate all aspects of the methodology. Ultimately, however, HCD is vested with the authority to decide whether statutory RHNA objectives have been met.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives¹ largely due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.

¹ The five RHNA objectives are: 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

SCAG's development of a consultation package to HCD regarding the regional housing needs determination took place during the first half of 2019. During this time SCAG extensively reviewed a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and in the state. On March 27, 2019 SCAG convened a panel of fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, State statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitates the completion of the regional determination by Fall 2019 in order to allow sufficient time for the development of a RHNA methodology, appeals process, and local housing element updates.

During both the consultation process and the filing of SCAG's formal objection to HCD's regional determination, SCAG extensively reviewed the issues brought up in these recent reports including a variety of indicators of housing backlog such as cost burden, overcrowding, demolition, and vacancy. In addition, SCAG has a well-developed program for forecasting population and household growth in the region which is conducted with the advice and collaboration of State Department of Finance (DOF) forecasting staff. SCAG assessed the relationship between the measures used and not used in its analyses in order to avoid overlap ("double counting").

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (for example, the determination shall be based on population projects produced by DOF and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. Following SCAG's formal objection filed on September 18, 2019, HCD did not materially change the regional determination, and there are no further mechanisms provided by statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process, including the adoption of a final RHNA methodology, conducting an appeals process, and issuing final RHNA allocations.

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 (Govt. Code § 65584(d)).

SCAG's Final RHNA Methodology

As discussed above, an appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. However, the City of South Pasadena presents a challenge to the development of the methodology as a basis for its appeal rather than a misapplication of the adopted Final RHNA Methodology.

The adopted Final RHNA Methodology includes a component that calculates housing need based on a jurisdiction's population located within 'High Quality Transit Areas' (HQTAs) in 2045, as defined by SCAG's 2020 RTP/SCS (Connect SoCal). For planning purposes, SCAG identifies an HQTAs generally as a walkable transit village or corridor that is located within one-half mile of a major transit stop or 'High Quality Transit Corridor' (HQTC) as defined in Government Code 21155(b) and 21064.3, excluding freeway transit corridors with no bus stops on the freeway alignment. SCAG's technical methodology for identifying HQTCs and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor's Office of Planning and Research.

Planned HQTCs and major transit stops are future improvements expected to be implemented by transit agencies by the Connect SoCal horizon year of 2045. These are assumed by definition to meet the statutory requirements of an HQTC or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCs with the adoption of a new RTP/SCS, once every four years. However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS and, as such, it is understood that planned transit projects are subject to further project-specific evaluation as part of the long-range transportation planning process.

While there is an inherent chance that transit agencies may change their future plans, ultimately SCAG's adopted final RHNA methodology uses the Connect SoCal definition of 2045 HQTAs to better align future housing with anticipated future transit. The attached map shows the 2045 HQTAs boundaries for the City of South Pasadena which are featured in Connect SoCal. The presence of historic districts or protected open spaces does not invalidate the designation of HQTAs, nor do compromised sidewalks or five percent grades.

The City's contention that the methodology for determining HQTAs should result in a 48 percent reduction of the allocation based on the job accessibility factor is not valid. The adopted RHNA methodology includes a calculation of job accessibility in the determination of a jurisdiction's draft allocation. Job accessibility is defined as the jurisdiction's share of regional jobs that are accessible within a 30-minute commute time (details are provided in the adopted RHNA methodology). This is not a measure of the number of jobs located within a jurisdiction; rather, it is a measure of how many regional jobs may be accessed by residents of a jurisdiction, including jobs outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which requires an approach to assessment of the region's job-housing relationship through the

measurement of access rather than number of jobs located within a particular jurisdiction. Limiting a jobs-housing balance assessment solely to within a jurisdiction's boundaries may effectively worsen a regional jobs-housing balance and for this reason, SCAG staff does not recommend a reduction to South Pasadena's RHNA allocation based on this factor.

Finally, SCAG staff respectfully disagrees with the City's assertion that the Governor's Executive Order banning the sale of carbon-emission vehicles by 2035, as well as the increased rate of residents working from home that may undermine the validity of the use of HQTAs as one of the primary factors for the allocation of housing need in South Pasadena. The adopted Final RHNA Methodology is not an eligible basis for appeal as it was determined by HCD to further the five statutory objectives. Prior to February 2020, the regional average for telecommuting was approximately seven percent. While there has been an increase in telecommuting due to the COVID-19 pandemic, this circumstance is not limited to only one jurisdiction. Moreover, there is no certainty as to how long this increase in telecommuting will continue. For these reasons, SCAG staff does not recommend a housing need reduction based on this issue.

Issue 2: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].

The City contends that it lacks the water and sewage capacity to support the RHNA allocation.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, evidence must be provided that South Pasadena is precluded from providing the necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For both the sewer and water constraints indicated by the City, it is not evident that the respective sewer and water providers have rendered decisions that would prevent the City from providing the necessary infrastructure. For this reason, SCAG staff does not recommend a housing need reduction based on this factor.

Issue 3 and 4: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)] and lands protected from urban development under existing federal or state programs [Section 65584.04(e)(2)(C)].

The City contends that SCAG failed to consider local planning factors related to the lack of available land suitable for urban development or conversion to residential use. The City indicates that it is a mature city with few parcels suitable for development or conversion to residential use. The City also cites a "Refill Map" published by SCAG in 2017 as being an insufficient tool for evaluating the City's RHNA need, due to the fact that many parcels identified in the map will not be available in the next eight years for redevelopment and some of the parcels overlap with historic preservation overlay zones. The City contests the concept of refill parcels as an insufficient tool for identifying housing development opportunities and should not be promoted as a viable strategy to meet the City's RHNA

allocation. For these reasons, the City argues that it lacks available land suitable for residential development and a reduction of its RHNA allocation should be approved.

The City also asserts that the entire city of South Pasadena was listed as one of the National Trust for Historic Preservation's "11 most Endangered Places in America" and that 38 percent of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources along with 72 designated and eligible historic districts, each of which are considered a historic resource for purposes of CEQA. Given that a quarter of the City is situated on a hillside, and with another half covered by historical properties and districts, the City has significantly reduced land available for redevelopment.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "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" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use", as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are to be considered a component of "available" land. In its December 10, 2020 comment letter (HCD Letter), HCD indicates:

"In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land." (HCD Letter, p. 2).

As such, the City should consider other land use opportunities for development. This includes increased residential densities or alternative zoning and density. Alternative development opportunities should be explored further to provide the land use capacity needed to zone for the City's projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need may not be used to determine existing or projected housing need.

The 2017 SCAG Refill Map cited in the City's appeal has no bearing on the RHNA methodology and is an optional tool available to local jurisdictions as they undertake Housing Element updates. SCAG staff explained during the Bottom-Up Local Input and Envisioning process (see Attachment 1) that

this map was intended to support local jurisdictions in identifying potential sites for the required Site Inventory Analysis, however the City is not required to use the data offered in this tool. As previously noted, South Pasadena is not limited to infill development and vacant land to fulfill their RHNA allocation. The City does not demonstrate an inability to accommodate its assigned allocation through the alternative means provided by State law. Furthermore, it is presumed that lands protected from urban development under existing Federal or State programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that the status of these areas has changed since the most recent local input was provided in February 2018.

While the City has indicated that it is not able to accommodate new housing units in identified specific areas related to historic preservation and slopes, no evidence has been provided that the City is not able to accommodate its RHNA allocation in other areas. The presence of protected space alone does not reduce housing need, nor does it preclude a jurisdiction from accommodating its housing need elsewhere. For these reasons, SCAG staff does not recommend a reduction to the City of South Pasadena's RHNA allocation based on these factors.

Issue 6: Changed Circumstances [Government Code 65584.05(b)].

The City contends that the COVID-19 pandemic constitutes a change in circumstance that will result in long-lasting changes to public transportation, daily commutes, and the structure of workplaces, all of which undermine the use of HQTAs as a primary factor in the allocation of housing units.

SCAG Staff Response: See also Response to Issues 1 and 5 above with respect to challenging the adopted RHNA methodology, including the Governor's Executive Order banning the sale of carbon-emission vehicles by 2035 and the potential for "double counting".

SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been significantly impacted. However, these facts, as presented by the City, do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04." (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

"Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584."

SCAG's Regional Council delayed adoption of Connect SoCal by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19. However, the Connect SoCal long-range (2045) forecasts of population, employment, and household growth remained unchanged. The 'Demographics and Growth Forecast' Technical

Report² outlines the process for forecasting long-range employment growth which involves evaluating national growth trends and regional economic competitiveness. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes to the region's long-term economic competitiveness or employment outlook through 2045. As such, SCAG's assessment of comparable data does not indicate long-range regional economic impacts.

The COVID-19 pandemic has had various impacts throughout Southern California, however, to date it has not resulted in a slowdown in major construction nor has it resulted in a decrease in demand for housing or housing need. In fact, Southern California home prices have continued to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by RHNA reflects regional need over an eight-year planning period and is not unduly influenced by immediate near-term impacts. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal to suggest that housing need in South Pasadena has been disproportionately impacted in comparison to the rest of the SCAG region. The City did not provide data quantifying the impact of these factors over the next eight years, and SCAG is not aware of the existence of such data.

There is no procedure available in RHNA statute to revisit either HCD's regional determination or SCAG's adopted methodology and it is outside of the scope of the RHNA appeals process to address these processes. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

Other: Potential Impact on Schools

In addition to the issues presented as the bases of its appeal, the City of South Pasadena also notes that its draft RHNA allocation may produce a negative impact on the City's public schools.

Per Government Code Section 65584.05, potential impacts on school districts do not constitute an eligible basis for a RHNA appeal.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of South Pasadena)
2. RHNA Appeal Letter (City of South Pasadena)

² https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579



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3. Map of High Quality Transit Areas in the City of South Pasadena (2045)
 4. Map of Job Accessibility in the City of South Pasadena (2045)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of South Pasadena had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of South Pasadena's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG staff met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of South Pasadena, the anticipated number of households in 2020 was 10,517 and in 2030 was 10,831 (growth of 314 households). In February 2018, SCAG staff met with City staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. Input from the City of South

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Pasadena on the growth forecast was received in June 2018. Following input, household totals remained the same.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of South Pasadena submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to help achieve the SCAG region's GHG reduction targets, as approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at: <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions, growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at:

<http://spmddm.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of South Pasadena which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- 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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology, which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at: <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of South Pasadena

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and do not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

South Pasadena received its draft allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of South Pasadena as summarized in the data and calculations featured in the table below.

South Pasadena city statistics and inputs:		Calculation of Draft RHNA Allocation for South Pasadena city	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	259	Forecasted household (HH) growth, RHNA period:	259
Percent of households who are renting:	55%	Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	9
Housing unit loss from demolition (2009-18):	15	Replacement Need	15
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	756	TOTAL PROJECTED NEED:	283
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	15.29%	Existing need due to job accessibility (50%)	639
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,536,000	Existing need due to HQTAs pop. share (50%)	986
Share of region's job accessibility (population weighted):	0.15%	Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	154
Jurisdiction's HQTAs population (2045):	24,098	TOTAL EXISTING NEED	1779
Share of region's HQTAs population (2045):	0.24%	TOTAL RHNA FOR SOUTH PASADENA CITY	2062
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI)	755
Share of population in very high-resource tracts:	99.98%	Low income (50-80% of AMI)	397
Social equity adjustment:	180%	Moderate income (80-120% of AMI)	333
		Above moderate income (>120% of AMI)	577

The transit accessibility measure is based on the population projected to live within 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 24,098 living within HQTAs, the City of South Pasadena will represent 0.24 percent of the SCAG region's HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand

model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs that may be reached within a 30-minute automobile commute from a local jurisdiction's median TAZ is used as to allocate housing units based on job accessibility. From the City of South Pasadena's median TAZ, it will be possible to reach 15.29 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,536,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered 'Disadvantaged Communities' (DACs) based on access to opportunity measures (described in the RHNA methodology), but which also score highly for job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as 'residual need', is then reallocated to non-DAC jurisdictions to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above and resulted in an additional 154 units assigned to the City of South Pasadena.

Please note that the above represents only a partial description of the key data and calculations which result in the Draft RHNA Allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF TEMPLE CITY

Hearing Date: January 11, 2021

The City of Temple City has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Temple City submits an appeal and requests a RHNA reduction of 1,195 units (of its draft allocation of 2,182 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA - the Final RHNA Methodology data is inaccurate and needs to be updated based on existing and reasonably ascertainable post-pandemic conditions.
- 2) Existing or projected jobs-housing balance - Temple City has few jobs and adding housing would further an existing imbalance.
- 3) Sewer or water infrastructure constraints for additional development - the existing sewer system is outdated and not designed to provide capacity for the existing units let alone additional units and raising fees would constrain development.
- 4) Regional greenhouse gas emission reduction targets – placing housing in a transit and jobs desert.
- 5) Availability of suitable land for urban development or for conversion to residential use - the City is built out with infrastructure built more than 70 years ago that is not able to accommodate the RHNA Allocation.
- 6) Affirmatively furthering fair housing - the City supports furthering fair housing but does not have sufficient transit or jobs.
- 7) Change in circumstances - COVID 19 pandemic and changes to land use.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 11, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to

the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011121fullagn_0.pdf?1609868354). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the public hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted Final RHNA Methodology, the City has not provided evidence that the data used in the Final RHNA Methodology was inaccurate. Rather it asserts that the data needs to be updated based on pandemic information. However, the long-term impacts of COVID-19 are speculative at this point and are not unique to any single SCAG jurisdiction, and the City has not provided evidence that housing need within Temple City is disproportionately impacted by the pandemic relative to the rest of the SCAG region.
- 2) Regarding job housing balance, the jobs accessibility calculation is not limited to jobs located within a jurisdiction. Jobs-housing balance is evaluated at the regional, not jurisdictional, level.
- 3) Regarding sewer or water infrastructure constraints, the City has not demonstrated that the agency responsible for providing its wastewater service has rendered a decision that would prevent the jurisdiction from providing the necessary infrastructure. In addition, the costs associated with an expansion of local sewer and water infrastructure capacity may not be considered a qualifying RHNA reduction factor since a jurisdiction is only required to plan for the new housing units, not actually construct them.
- 4) Regarding greenhouse gas emission reduction targets, the data used to generate the Draft RHNA Allocations is the same as was used in the development of Connect SoCal and

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

Connect SoCal has demonstrated achievement of all applicable regional GHG emission reduction targets.

- 5) Regarding availability of suitable land for urban development or for conversion to residential use, the City does not provide evidence that it cannot accommodate housing using other considerations besides vacant land such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 6) Regarding affirmatively furthering fair housing, social equity adjustment factors have already been included in the adopted Final RHNA Methodology.
- 7) Regarding change in circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Michael Gainor, Senior Regional Planner,
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Temple City

RECOMMENDED ACTION:

Deny the appeal filed by the City of Temple City (the City) to reduce its Draft RHNA Allocation from its current draft allocation of 2,182 units to 987 units, a reduction of 1,195 units (54.8 percent).

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

SUMMARY OF APPEAL:

The City of Temple City requests a reduction of its RHNA allocation of 2,182 residential units based on the following seven issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA: The Final RHNA Methodology data is inaccurate and needs to be updated based on existing and reasonably ascertainable post-pandemic conditions.
- 2) Existing or projected jobs-housing balance: Temple City has few jobs and adding housing would further an existing imbalance.
- 3) Sewer or water infrastructure constraints for additional development: The existing sewer system is outdated and not designed to provide capacity for the existing units let alone additional units and raising fees would constrain development.
- 4) Regional greenhouse gas emission reduction targets: Places housing in a transit and jobs desert.
- 5) Availability of suitable land for urban development or for conversion to residential use: The City is built out with infrastructure built more than 70 years ago that is not able to accommodate the RHNA Allocation.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Temple City (Final Determination of Appeals Decisions)

- 6) Affirmatively furthering fair housing: The City supports furthering fair housing but does not have sufficient transit or jobs.
- 7) Change in circumstances: COVID 19 pandemic and changes to land use.

RATIONALE FOR STAFF RECOMMENDATION:

SCAG staff have reviewed the appeal submitted by the City of Temple City and recommend no change be made to the City's Draft RHNA Allocation.

Issue 1: The City has not provided evidence that the data used in the Final RHNA Methodology was inaccurate. Rather it asserts that the data needs to be updated based on pandemic information. However, the long-term impacts of COVID-19 are speculative at this point and are not unique to any single SCAG jurisdiction, and the City has not provided evidence that housing need within Temple City is disproportionately impacted by the pandemic relative to the rest of the SCAG region.

Issue 2: The jobs accessibility calculation is not limited to jobs located within a jurisdiction. Jobs-housing balance is evaluated at the regional, not jurisdictional, level.

Issue 3: The City has not demonstrated that the agency responsible for providing its wastewater service has rendered a decision that would prevent the jurisdiction from providing the necessary infrastructure. In addition, the costs associated with an expansion of local sewer and water infrastructure capacity may not be considered a qualifying RHNA reduction factor since a jurisdiction is only required to plan for the new housing units, not actually construct them.

Issue 4: The data used to generate the Draft RHNA Allocations is the same as was used in the development of Connect SoCal and Connect SoCal has demonstrated achievement of all applicable regional GHG emission reduction targets.

Issue 5: The City does not provide sufficient evidence to demonstrate that other types of land use opportunities other than vacant land have been considered for residential development.

Issue 6: Social equity adjustment factors have already been included in the adopted RHNA methodology.

Issue 7: Supporting evidence was not provided to demonstrate that Temple City has been disproportionately burdened by COVID-19 pandemic impacts relative to the rest of the SCAG region.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on

September 11, 2020. A summary of the RHNA allocation for the City of Temple City is provided below.

Total RHNA Allocation for the City of Temple City: 2,182 units

Very Low Income: 628 units

Low Income: 350 units

Moderate Income: 369 units

Above Moderate Income: 835 units

Additional background information related to the Draft RHNA Allocation for Temple City is included in Attachment 1.

Summary of Comments Received During 45-day Comment Period

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) in specific regard to the appeal filed by the City of Temple City. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].

The data in the Final RHNA Methodology is inaccurate and needs to be updated based on existing and reasonably ascertainable post-pandemic conditions.

SCAG Staff Response: SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs determination. Only an improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error identified by a local jurisdiction.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The Methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA Methodology was found by HCD to further the five statutory RHNA objectives¹ largely due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.

Demand for housing as quantified by the RHNA allocation covers an eight-year planning period and the datasets considered in the RHNA methodology do not include immediate near-term impacts. Moreover, impacts from COVID-19 are not unique to any individual jurisdiction in the SCAG region, and no evidence has been provided in the appeal to indicate that housing need in Temple City has been disproportionately impacted by the pandemic relative to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to Temple City’s Draft RHNA Allocation in response to this factor.

Issue 2: Existing or projected jobs-housing balance [Section 65584.04(e)(1)].

The City contends that its jobs/housing balance would be negatively impacted with the influx of new residential units as provided by the current RHNA allocation. The target jobs-housing ratio is 1.5, but Temple City has a ratio of 0.48 which would fall to 0.41 with the RHNA allocation. To keep the City at its current jobs-housing ratio, an additional 1,100 jobs would need to be added.

¹ The five RHNA objectives are: 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 (Govt. Code § 65584(d)).

SCAG Staff Response: The adopted RHNA Methodology includes a calculation of job accessibility as one of the factors to determine a jurisdiction's draft RHNA allocation. Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute time (additional details are found in the adopted RHNA Methodology). This is not a measure of the number of jobs located within a jurisdiction; rather, it is a measure of how many regional jobs may be accessed by a jurisdiction's residents, including jobs located outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which requires an approach to assessment of the region's jobs-housing relationship through a measurement of access rather than number of jobs located within a particular jurisdiction.

As shown in Attachment 1, just over half of Temple City's RHNA allocation is based on projected need (1,140 units), with just under half (1,042 units) based on existing need.

Limiting a jobs-housing balance assessment to within the boundaries of any particular jurisdiction may effectively worsen a regional jobs-housing balance and, for this reason, SCAG staff does not recommend a reduction to the City's Draft RHNA Allocation based on this issue.

Issue 3: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].

The City contends that existing sewer infrastructure limitations are not conducive to the development of the number of new housing units currently allocated through RHNA. The City indicates that the existing sewer system is outdated and is not designed to provide capacity for even the existing housing units let alone for additional units. Raising the fees needed to provide the additional capacity would further constrain development.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the sewer infrastructure constraints indicated by the City, it is not evident that an agency that is not the local jurisdiction is responsible for providing wastewater service and has rendered a decision that would prevent the City from providing the necessary infrastructure. In addition, costs to upgrade and develop appropriate sewer infrastructure may not be considered by SCAG as a justification for a reduction since the RHNA allocation only requires a jurisdiction to plan and zone for its determined housing need and is not required to actually develop the allocated units. For these reasons, SCAG staff does not recommend a housing need reduction for Temple City based on this planning factor.

Issue 4: The region’s greenhouse gas emissions targets [Government Code Section 65584.04(e)(12)].

The City contends that achievement of regional greenhouse gas (GHG) emission targets will be negatively impacted by the current RHNA allocation for Temple City. Adding housing units in areas where there are no available jobs and limited transit access will result in increased vehicle miles traveled (VMT) and GHG emissions. The allocation of thousands of new housing units to a jurisdiction, like Temple City, where there are few job destinations and limited transit service, would require new residents to travel long commute distances to work, thereby increasing VMT, congestion, air quality impacts, and GHG emissions.

SCAG Staff Response: The 6th cycle RHNA does not change the population forecast from Connect SoCal for either 2029 (end of the RHNA period), or for any other year during the Connect SoCal growth forecast, including 2035, for which Connect SoCal is required to meet the applicable regional GHG emissions reduction target. Since the RHNA allocation methodology is based on transit and job access, it is designed to promote a more efficient regional development pattern which promotes public transit use, reduces commute distances, and contributes to regional per capita GHG emission reductions.

The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both “projected need” and “existing need”. “Projected need” is intended to accommodate the expected growth of population and households between 2021-2029, while “existing need” reflects the additional latent housing needs of the current population. On January 13, 2020, HCD’s finding that SCAG’s draft RHNA methodology (which was later adopted as the final RHNA methodology in March) furthered the statutory objectives of RHNA, reflected that the determination is separated into ‘projected need’ and ‘existing need’ components. “Projected need” is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan.

SCAG has allocated both “projected need” and “existing need” in a manner consistent with the development pattern identified in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). The Connect SoCal Forecasted Regional Development Pattern is shown on Exhibit 1 of the “Sustainable Communities Strategy” Technical Report² (p. 13). Specifically, the Connect SoCal development pattern includes priority growth areas, incorporated areas, job centers, entitled projects, and spheres of influence, which together will accommodate 95 percent of regional growth through 2045. The regional development pattern reflects the strategies and policies contained in Connect SoCal.

The “projected need” element of the 6th Cycle RHNA is based on the Connect SoCal Growth Forecast and is consistent with the Connect SoCal development pattern. Specifically, each jurisdictional-level growth forecast of households is translated into “projected need” of housing

² https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_sustainable-communities-strategy.pdf

units after adjusting for vacancy need and replacement need factors. The “existing need” element is allocated in a manner consistent with the Connect SoCal development pattern. Specifically, based on SCAG’s adopted RHNA methodology, “existing need” is allocated based on transit and job access, assigning 50 percent based on a jurisdiction’s share of the region’s population within HQTAs, and 50 percent based on a jurisdiction’s share of the region’s jobs that may be accessed within a 30-minute commute. Accordingly, both the “projected need” and “existing need” allocations are aligned with the strategies and policies underlying the regional development pattern of the Connect SoCal Sustainable Communities Strategy (SCS).

Increasing housing opportunities in location efficient areas is a primary strategy in Connect SoCal for reducing regional GHG emissions. Location efficiency refers to areas where single occupancy vehicle travel is minimized as a result of being near high quality transit amenities or being located near high demand travel destinations, including major employment centers. Correspondingly, RHNA allocations are assigned to jurisdictions based on measures of job accessibility and transit accessibility. The purpose of these factors in the Final RHNA Methodology was to strengthen the consistency of RHNA with the Connect SoCal regional development pattern and to further the objectives of both regional plans. This includes a focus on a regional jobs-housing balance, reducing commute times and distances, and planning for growth near transit investments.³

Based on the data used in the Final RHNA Methodology, Temple City households will be able to access 11.3 percent of the SCAG region’s jobs within a 30-minute commute time in 2045. This places Temple City close to the regional median, or 52nd percentile. Nearly 13 percent of the City’s 2045 population will be located within an HQTAs, which places the City in the 42nd percentile for the region. These data points suggest that the City is not isolated in regard to job and transit accessibility, and it has received an appropriate share of regional housing need based on these attributes of the Final Methodology to further the goals of Connect SoCal.

The more efficient regional development pattern envisioned by Connect SoCal will result in a reduction of per capita GHG emissions in a manner that is consistent with the SCS for meeting the regional GHG emissions targets established by CARB. For this reason, SCAG staff does not recommend a reduction to Temple City’s Draft RHNA Allocation based on this issue.

³ Connect SoCal (p. 49): https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial-plan_0.pdf?1606001176

Issue 5: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

The City contends that it has limited availability of suitable land for urban development or conversion to residential use. As a result of being a fully built-out city, Temple City has very limited opportunities for new residential development on existing vacant lands. Constructing multi-family housing or significant amounts of new single-family housing in a fully built-out city like Temple City is extremely difficult. Other than small remnant parcels left over from peculiar subdivisions, the City does not contain significant vacant property that may be easily aggregated to provide for the required number of new housing units.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes General Plan land use policies). “Available land suitable for urban development or conversion to residential use”, as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City should consider other land use opportunities for residential development. This includes underutilized land, opportunities for infill development and increased residential densities, alternative zoning, and accessory dwelling units. Alternative development opportunities should be explored further to provide the land needed to zone for the City’s projected growth. Land use capacity that is restricted by factors unrelated to existing or projected housing need may not be used to determine a jurisdiction’s existing or projected housing need. Therefore, SCAG staff does not recommend a reduction to Temple City’s Draft RHNA Allocation based on this issue.

Issue 6: Affirmatively furthering fair housing.

Temple City's policies and history demonstrate that the City affirmatively supports furthering fair housing. Over the last four decades, Temple City has become more racially diverse than Los Angeles County and has nearly the same percentage of residents in poverty as Los Angeles County. The City understands the importance of providing additional housing to further the goal of fair housing. However, this goal should be implemented in a manner that is also supportive of "smart growth". Requiring more housing units beyond the norm established by previous RHNA cycles in a community where transit opportunities and jobs opportunities are significantly limited from a land use perspective does not help further the fair housing objective.

SCAG Staff Response: One of the five statutory objectives of RHNA is to ensure that the RHNA allocation plan allocates “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”. While SCAG staff recognizes that Temple City has made laudable efforts to facilitate the objectives of fair housing within its community, the RHNA Methodology addresses factors related to poverty and income disparity through its social equity adjustment and the inclusion of access to resources as an influencing factor.

To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing, the RHNA Methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an “Affirmatively Furthering Fair Housing” (AFFH) adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution relative to the county distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories.

Prior to the social equity adjustment, 23 percent of Temple City’s households are considered “very low” income, 14 percent are considered “low” income, 15 percent are considered “moderate” income, and 48 percent are considered above “moderate” income.

Income Category	Temple City	Los Angeles County
Very Low	23%	25%
Low	14%	16%
Moderate	15%	18%
Above Moderate	48%	42%

As shown in the table above, the distribution of very low and low-income households for the City is lower than the County distribution. At the same time, the City has a higher concentration of above moderate households than the County (48 percent compared to 42 percent). Additionally, when considering access to resources, 0 percent of the City's population is within a very low resource area, while 52 percent of its population has a high level of access to resources, as measured by the Final RHNA Methodology's opportunity indices. These data points suggest that, while the City may be comparable to the County's income distribution, it is still higher than the County. To account for these factors, the City received a social equity adjustment of 150%, which is the minimum social equity adjustment within the Final RHNA Methodology. Therefore, the RHNA methodology has already accounted for this objective to ensure that an overconcentration of lower income households is not allocated to currently impacted areas. For this reason, SCAG staff does not recommend a reduction to Temple City's Draft RHNA Allocation based on this issue.

Issue 7: Changed circumstances [Government Code Section 65584.05(b)].

The COVID-19 pandemic has resulted in potentially significant unknown changes in circumstances to the development of housing throughout California. Creating more housing, likely at higher densities for affordable housing, may present a challenge due to needs for social distancing and other concerns related to disease spread. The nature of work and the types of jobs available may also have long-ranging impacts on housing allocation and transportation infrastructure in the region.

SCAG Staff Response: While SCAG recognizes that the COVID-19 pandemic presents unforeseen circumstances, the facts presented by the City do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04(b)." The COVID-19 pandemic has had various impacts throughout Southern California, however, to date it has not resulted in a slowdown in major construction nor has it resulted in a decrease in demand for housing or housing need. In fact, Southern California home values have continued to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation reflects a need that covers an eight-year period, that is not unduly influenced by immediate near-term impacts. Moreover, impacts from the COVID-19 pandemic are not unique to any single SCAG jurisdiction and no evidence has been provided in the City' appeal to demonstrate that housing need in Temple City has been disproportionately impacted relative to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to Temple City's Draft RHNA Allocation in response to this issue.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Temple City)
2. Appeal Letter (City of Temple City)
3. Appeal Form (City of Temple City)
4. Map of High Quality Transit Areas in the City of Temple City (2045)
5. Map of Job Accessibility in the City of Temple City (2045)

Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Temple City had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop Temple City’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁴ Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.⁵ While the local input process materials focus principally on jurisdiction level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For Temple City, the projected number of households in 2020 was 11,934 and in 2030 was 12,886 (growth of 952 households). In January 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. Input from the City of Temple City on the growth forecast was received in October 2018. Following this input, household totals were

⁴ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year planning period and requires local jurisdictions to make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁵ A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

revised to 11,903 in 2020 and 13,248 in 2030, for a final household growth during this period of 1,345.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Temple City submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections obtained through the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to help achieve the SCAG region's GHG reduction targets, as established by the California Air Resources Board (CARB) in accordance with state planning law.

Additional details regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>

As a result of these strategies, in some jurisdictions, growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at: <http://spmDM.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Temple City which differed from the Growth Vision. The City's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- 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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is

vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology, which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁶ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTAs) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data obtained through Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

⁶ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and do not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

3. Draft RHNA Allocation for the City of Temple City

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Temple City received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Temple City as summarized in the data and calculations provided in the table below.

City of Temple City Statistics and Inputs		Calculation of Draft RHNA Allocation for Temple City	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	1,110	Forecasted household (HH) growth, RHNA period:	1,110
Percent of households who are renting:	36%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	31
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	3,285	TOTAL PROJECTED NEED:	1,140
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	11.31%	Existing need due to job accessibility (50%):	735
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,137,000	Existing need due to HQTAs pop share (50%):	217
Share of region's job accessibility (population weighted):	0.18%	Net residual factor for existing need:	90
		<i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTAs population (2045):	5,311	TOTAL EXISTING NEED:	1,042
Share of region's HQTAs population (2045):	0.05%	TOTAL RHNA FOR THE CITY OF TEMPLE CITY:	2,182
Share of population in low/very low-resource tracts:	0.10%	Very-low income (<50% of AMI):	628
Share of population in very high-resource tracts:	52.24%	Low income (50-80% of AMI):	350
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	369
		Above moderate income (>120% of AMI):	835

The transit accessibility measure is based on the population projected to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted population of 5,311 living within HQTAs, Temple City will account for 0.05% of the SCAG region's total 2045 HQTA population, which provides the basis for allocating housing units based on the transit accessibility factor.

Job accessibility is defined as a jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the adopted RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached within a 30-minute automobile commute from a local jurisdiction's median TAZ is used to allocate housing units based on job accessibility. From Temple City's median TAZ, it will be possible to reach 11.31 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,137,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered 'Disadvantaged Communities' (DACs) based on access to opportunity measures (described in the RHNA methodology), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as 'residual need', is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above and resulted in an additional 90 units assigned to the City of Temple City.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF TORRANCE

Hearing Date: January 13, 2021

The City of Torrance has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana’s allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Torrance submits an appeal and requests a RHNA reduction of 2,700 units (of its draft allocation of 4,928 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - failure to consider growth projections consistent with the Connect SoCal Plan.
2. Availability of land suitable for urban development or for conversion to residential use - Torrance does not have available vacant land to accommodate its RHNA allocation.
3. Lands protected from urban development under existing federal or state programs – failure to consider coastal zone, land use constraints due to existing Airport Environmental Land Use Plans, protected natural lands, geomorphic conditions and lands dedicated to refinery and chemical production.
4. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans - the Draft RHNA Allocation is inconsistent with the growth forecast for Connect SoCal.
5. Changed circumstances - COVID-19 presents an unforeseen changed circumstance that has severely impacted the City's economy and impacted the development capacity of the private housing market.

B. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 13, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents and comments, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including

Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011321fullagn_0.pdf?1609982874). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) and 4) Regarding application of the RHNA methodology and distribution of growth, SCAG has allocated total regional housing need ("existing need" and "projected need") consistent with the Connect SoCal development pattern. SCAG has reviewed a wide range of reports to develop the Final RHNA Methodology, which was found by HCD to further the RHNA objectives. Also, SCAG does not have the authority change the regional determination. The City has not provided evidence that density would result in overcrowding, nor has the City provided evidence that it could not accommodate higher density housing.
- 2) and 3) Regarding the availability of land suitable for urban development or for conversion to residential use and lands protected from urban development under existing federal or state programs, the City has not provided evidence that it cannot accommodate zoning within the listed areas (Coastal Zone, Airport Land Use Area Plans, Areas of Seismic Activity, etc.) nor has the City provided evidence that agencies who oversee said areas have rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. Also, the City does not provide evidence that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 5) Regarding changed circumstances, Impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 13, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Roland Ok, Program Manager II,
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Torrance

RECOMMENDATION

Deny the appeal filed by the City of Torrance to reduce its Draft RHNA Allocation by 2,700 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Torrance requests a reduction of its RHNA allocation by 2,700 units (from 4,928 units to 2,228 units) based on:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) - failure to consider growth projections consistent with the Connect SoCal Plan.
2. Availability of land suitable for urban development or for conversion to residential use - Torrance does not have available vacant land to accommodate its RHNA allocation.
3. Lands protected from urban development under existing federal or state programs – failure to consider coastal zone, land use constraints due to existing Airport Environmental Land Use Plans, protected natural lands, geomorphic conditions and lands dedicated to refinery and chemical production.
4. Distribution of household growth assumed for purposes of comparable Regional Transportation Plans - the Draft RHNA Allocation is inconsistent with the growth forecast for Connect SoCal.
5. Changed circumstances - COVID-19 presents an unforeseen changed circumstance that has severely impacted the City’s economy and impacted the development capacity of the private housing market.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Torrance (Final Determination of Appeals Decisions)

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Torrance' RHNA allocation.

Issue 1 and 4: While the City contests the validity of the data, measures, or inputs used in the RHNA Methodology, the City fails to recognize that SCAG has allocated total regional housing need ("existing need" and "projected need") consistent with the Connect SoCal development pattern. SCAG has reviewed a wide range of reports to develop the RHNA Methodology, and SCAG does not have the authority to appeal the regional determination. The City has not provided evidence that density would result in overcrowding, nor has the City provided evidence that it could not accommodate higher density housing. As such, SCAG does not recommend granting an appeal on this basis.

Issue 2 and 3: the City has not provided evidence that it cannot accommodate zoning within the listed areas (Coastal Zone, Airport Land Use Area Plans, Areas of Seismic Activity, etc.) nor has the City provided evidence that agencies who oversee said areas have rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. Also, the City has not provided evidence that other lands are not available to meet the RHNA allocation. As such, SCAG does not recommend granting an appeal on these bases.

Issue 5: Impacts from COVID-19 are not unique to any single SCAG jurisdiction and the City has not provided evidence that housing need within Torrance is disproportionately impacted in comparison to the rest of the SCAG region. As such, we do not recommend granting an appeal on these bases.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, the City of Torrance received its Draft RHNA Allocation on September 11, 2020. A summary is provided below:

Total RHNA Allocation for the City of Torrance: 4,928

Very Low Income: 1,617

Low Income: 845

Moderate Income: 851

Above Moderate Income: 1,615

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Torrance. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1 and 4: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)] and distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Government Code Section 65584.04(e)(3)].

Torrance claims that SCAG's methodology fails to consider growth projections consistent with the Connect SoCal Plan. Torrance states that the Draft RHNA allocation is inconsistent with the development patterns assumed in the Connect SoCal Plan, and such inconsistencies in forecasting growth demonstrate the failure of the methodology to consider local factors and exhibits severe inconsistencies with future growth projections.

SCAG Staff Response: SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

Adopted by the SCAG Regional Council on March 5, 2020, the RHNA Allocation Methodology uses SCAG’s Growth Forecast as the basis to determine the projected household need component of a jurisdiction’s draft RHNA allocation. Integrated Growth Forecast process was derived through a two-year process from October 2017 through December 2019 that was based on local input review through surveys and individual meetings with SCAG jurisdictions. As indicated in the background section of this report, SCAG staff fully considered the input provided by the City of Torrance during the development of the Integrated Growth Forecast and incorporated this input into the development of projected need for the City’s draft RHNA Allocation.

The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both “projected need” and “existing need”. “Projected need” is intended to accommodate the growth of population and households between 2021-2029, and “existing need” reflects additional latent housing needs in the existing population. On January 13, 2020, HCD’s finding that SCAG’s draft RHNA methodology (which was later adopted as the final RHNA methodology in March) furthered the statutory objectives of RHNA, reflected that the determination is separated into “projected need” and “existing need” components. Projected need is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan.

SCAG has allocated both “projected need” and “existing need” consistent with the development pattern in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (“Connect SoCal”). The Connect SoCal Forecasted Regional Development Pattern is shown on Exhibit 1 of the Sustainable Communities Strategy Technical Report, p. 13. Specifically, the development pattern includes priority growth areas, incorporated areas, job centers, entitled projects and sphere of influence which together would accommodate 95% of the growth till 2045. The development pattern reflects the strategies and policies contained in Connect SoCal. The “projected need” portion of the 6th Cycle RHNA is based on the Connect SoCal Growth Forecast and is consistent with the Connect SoCal development pattern. Specifically, each jurisdictional-level growth forecast of households is translated into “projected need” of housing units after adjusting for two factors of vacancy need and replacement needs.

The “existing need” portion, though not part of the Sustainable Communities Strategy, is also allocated consistent with the Connect SoCal development pattern. Specifically, based on SCAG’s adopted RHNA methodology, “existing need” is allocated based on transit and job access (i.e., assign 50% based on jurisdiction’s share of the region’s population within HQTAs and 50% based on a jurisdiction’s share of the region’s jobs that can be accessed within a 30- minute commute). Accordingly, this allocation is aligned with the strategies and policies underlying the development pattern in the SCS.

In summary, SCAG has allocated total regional housing need (“existing need” and “projected need”) consistent with the Connect SoCal development pattern. For this reason, SCAG staff does not recommend a reduction to the City’s Draft RHNA Allocation based on this factor.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].

Torrance claims that SCAG failed to consider local planning factors, namely the availability of land suitable for urban development or conversion to residential use. Torrance states that the City has minimal appropriate, available vacant land to accommodate its RHNA Allocation. Torrance states that the City has 55.59 acres of available land to accommodate housing, whereas its RHNA Allocation (4,928 units) would require 164 acres, with a density range of 30 dwelling units per acre. To accommodate the 4,928 units within the 55.59 available acres, the City would be required to permit a minimum zoning requirement of a 100 units/per acre, which they believe is unreasonable, pursuant to the analysis under AB 1397. Further, Torrance states that high density development would go against the health, safety, welfare and economic integrity of its residents due to factors such as the COVID-19 pandemic.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to allocate RHNA need. Per the adopted RHNA Methodology, RHNA need is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need,

is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

SCAG acknowledges that AB 1397 modifies the housing element update process in Government Code Section 65583 and requires stronger justification for using certain types of sites to meet RHNA need, particularly nonvacant sites. While these statutory changes have increased the extent of analysis or supportive policy required to demonstrate development likelihood, they do not preclude the consideration of non-vacant sites. For example, page 25 of HCD's June 10, 2020 Housing Element Site Inventory Guidebook¹ covering Government Code Section 65583.2 states:

The inventory analysis should describe development and/or redevelopment trends in the community as it relates to nonvacant sites, i.e., the rate at which similar sites have been redeveloped. This could include a description of the local government's track record and specific role in encouraging and facilitating redevelopment, adaptive reuse, or recycling to residential or more intensive residential uses. If the local government does not have any examples of recent recycling or redevelopment, the housing element should describe current or planned efforts (via new programs) to encourage and facilitate this type of development (e.g., providing incentives to encourage lot consolidation or assemblage to facilitate increased residential-development capacity). The results of the analysis should be reflected in the capacity calculation described in Part C, above.

Beyond this guidance on how to demonstrate site suitability, HCD's sites inventory memo details how accessory dwelling units (ADUs), junior accessory dwelling units (JADUs), and even other options are available to satisfy the sites requirement in the housing element (page 32):

"In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance."

While conditions such as overcrowding can be correlated with public health concerns, increased density is not a synonym for overcrowding. Overcrowding is defined as more than 1.01 persons per room in a housing unit and a jurisdiction can increase its density without resulting in overcrowded housing units. One of the objectives of increasing housing supply is to reduce overcrowding and ironically, planning for fewer housing units than needed may in fact result in overcrowding.

Additionally, while it is up to the individual jurisdiction to determine the optimal density to accommodate its housing need, provided that a residential unit meets all California Building Health

¹ https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

and Safety Code requirements, there is not a maximum density limit that would result in a need to reduce a RHNA Allocation.

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA Allocation based on these factors.

Issue 3: Lands protected from urban development under existing federal or state programs [Government Code Section 65584.04(e)(2)(C)].

Torrance claims that SCAG failed to consider local planning factors, namely lands preserved or protected from Urban Development Under Federal or State Programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis. Torrance notes that coastal zones, land constraints due to existing Airport Environmental Land Use Plans (AELUP, protected natural lands, geomorphic conditions and lands dedicated to refinery and chemical production were not considered. Overall, Torrance believes that approximately 1,758 acres of land are unsuitable to be zoned for housing.

Coastal Zone: Torrance notes that 123 acres of the City is within the Coastal Zone, and subject to the Coastal Act which is designed to encourage local jurisdictions to create Local Coastal Programs (LCP), which would be considered the legislative equivalent of the City's General Plan for areas within the Coastal Zone. While Torrance's Coast Zone has yet to be designated as an LCP, a high RHNA allocation would require the adoption of an LCP, and the rezoning to allow for higher density residential uses. However, Torrance states that rezoning to allow for higher density would undermine the Coastal Act's requirements for coastal access, coastal views and protection of visitor servicing uses. Therefore, Torrance states that high RHNA allocation and rezoning in coastal areas may force the City to violate the Coastal Act.

Airport Area: Torrance states that the City's Airport Area contains approximately 369 acres of land that are restricted for future development. Torrance states that the Airport Area is restricted and unsuitable for residential uses due to noise impacts and height limitations imposed by the Airport Land Commission (ALUC). Torrance claims that the ALUC is likely to oppose future rezoning efforts for increased residential development within the Airport Area due to said restrictions.

Protected Natural Lands: Torrance states that approximately 44.86 acres of land is designated as protected lands and cannot be utilized for residential development.

Seismic Hazards, Landslide and Liquefaction Zones: Torrance states that lands within the southwest portion of the City (which include vacant lands) are susceptible to seismic hazards, liquefaction and related ground failure including landslides, and are not suitable for development.

Refinery and Chemical Production: Torrance states that approximately 1,057 acres are dedicated to refinery and chemical production and are considered critical infrastructure and not suitable for housing.

SCAG Staff Response: As discussed above, per Government Code Section 65584.04(e)(2)(B), SCAG is not permitted to limit its consideration of suitable housing sites or land suitable for urban development to a jurisdiction's existing zoning and land use policies and restrictions (which includes the land use policies in its General Plan). State law requires that the consideration of the availability of land suitable for urban development must include other types of land use opportunities other than vacant land. The City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Additionally, zoning and capacity analysis is used to meet RHNA need, not determine it. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined principally by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

Further, it should be presumed that when providing local input on household growth in the Growth Forecast, planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG. No evidence was submitted that these areas have changed. In addition, while the jurisdiction has indicated it cannot accommodate units in these specific areas, no evidence has been provided that the jurisdiction cannot accommodate its RHNA allocation in other areas. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere. For the reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA Allocation based on this factor.

Regarding areas in the Coastal Zone, in response to similar arguments made by the cities of Coronado and Solana Beach in their RHNA allocation appeals earlier this year,

“Coastal Commission Executive Director Jack Ainsworth said that while there are some constraints in the coastal zone related to increases in housing density around areas vulnerable to sea level rise and erosion, that doesn't mean that there are not

areas within the coastal zone where significant increases in housing density are possible.

‘To make a blanket statement that the Coastal Commission would not approve increases in housing density is simply not accurate,’ he wrote. “Over the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments.’”²

In fact, the California Coastal Act encourages the protection of housing opportunities for individuals of low and moderate incomes (Public Resources Code section 30604). Furthermore, the Coastal Act does not allow residential densities to be reduced (including projects making use of density bonuses) unless the density cannot feasibly be accommodated in conformity with the Local Coastal Program (Public Resources Code section 30604(f)). The Coastal Act also encourages the minimization of vehicle miles traveled (Public Resources Code section 30253(e)). In addition, in April 2020, the Coastal Commission recently issued new guidance on the “Implementation of New ADU [accessory dwelling units] Laws”.³

Regarding areas affected by seismic activity, while SCAG staff does not dispute that there may be areas at risk of seismic activity, liquefaction or landslides in the jurisdiction, the jurisdiction has not provided evidence that an agency or organization such as FEMA has determined housing is unsuitable in these areas. Additionally, the jurisdiction has not provided evidence that it cannot plan for its assigned Draft RHNA Allocation in other areas of the jurisdiction that are not at risk for seismic activities. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s draft RHNA allocation.

Issue 5: Changed circumstances [Government Code Section 65584.05(b)].

Torrance claims that the COVID-19 pandemic has had an impact on the City’s economy and as such, job opportunities have diminished and population growth rates are likely to drop to historically low levels, and as such the housing shortage maybe grossly overestimated.

² *San Diego County cities push back on state-mandated housing goals*, San Diego Union Tribune, January 14, 2020 (<https://www.sandiegouniontribune.com/business/growth-development/story/2020-01-14/sandag-housing>).

³ Memo from John Ainsworth to Planning Directors of Coastal Cities and Counties dated April 21, 2020 re: Implementation of New ADU Laws (<https://documents.coastal.ca.gov/assets/rflg/California%20Coastal%20Commission%20ADU%20Memo%20dated%20042120.pdf>).

SCAG Staff Response: SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.” (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.”

SCAG’s Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document’s long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report⁴ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e. the SCAG’s region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region’s long-term competitiveness or the region’s employment outlook for 2023-2045. As such, SCAG’s assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA Allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s Draft RHNA Allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

ATTACHMENT(S):

1. Attachment 1_Local Input and Development of Draft RHNA Allocation (City of Torrance)
2. Attachment 2_Appeal Form and Supporting Documentation
3. Attachment 3_Data Input and Verification Form (City of Torrance)
4. Attachment 4_HCD final 6th Cycle Housing Need Determination for the SCAG Region
5. Attachment 5_Comments Received During the Comment Period (General)

Attachment 1: Local Input and development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Torrance had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Torrance's Draft RHNA Allocation.

1. Local Input

a. *Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal) and the 6th cycle of RHNA.⁵ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁶ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Torrance, the anticipated number of households in 2020 was 57,166 and in 2030 was 60,216 (growth of 3,050 households). On June 11, 2018, SCAG staff met with staff from the City of Torrance to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

⁵ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁶ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

Following input, household totals were 55,862 in 2020 and 56,408 in 2030, for a reduced household growth during this period of 546.

b. RHNA methodology surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Torrance submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. The City of Torrance's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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 (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is

vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6th cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.⁷ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTAs) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

⁷ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e., “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

3. Final RHNA Methodology and Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the Covid-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Torrance received its Draft RHNA Allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocations for the City of Torrance as summarized in the data and in the tables below.

City of Torrance Statistics and Inputs		Calculation of Draft RHNA Allocation for Torrance	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	450	Forecasted household (HH) growth, RHNA period:	450
Percent of households who are renting:	45%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	14
Housing unit loss from demolition (2009-18):	118	Replacement Need:	118
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,474	TOTAL PROJECTED NEED:	582
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	11.00%	Existing need due to job accessibility (50%):	2,585
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,105,000	Existing need due to HQTa pop. share (50%):	1,386
Share of region's job accessibility (population weighted):	0.62%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	375
Jurisdiction's HQTa population (2045):	33,891	TOTAL EXISTING NEED:	4,346
Share of region's HQTa population (2045):	0.33%	TOTAL RHNA FOR THE CITY OF TORRANCE:	4,928
Share of population in low/very low-resource tracts:	0.01%	Very-low income (<50% of AMI):	1,617
Share of population in very high-resource tracts:	76.19%	Low income (50-80% of AMI):	845
Social equity adjustment:	160%	Moderate income (80-120% of AMI):	851
		Above moderate income (>120% of AMI)	1,615

The transit accessibility measure is based on the population anticipated to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 33,891 living within HQTAs, Torrance represents 0.33% of the SCAG region's HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on job accessibility. From the City of Torrance median TAZ, it will be possible to reach 11% of the region's jobs in 2045 within a 30-minute automobile commute (1,105,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 375 units assigned to the City of Torrance.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology. The attached maps provide further detail regarding transit and job access measures.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF TUSTIN

Hearing Date: January 19, 2021

The City of Tustin has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. Public Participation

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. HCD Review of Methodology and Adoption by Council of Governments

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Tustin submits an appeal and requests a RHNA reduction of 1,178 units (of its draft allocation of 6,765 units). The grounds for appeal are as follows:

- 1) Changed circumstances -- projected employment in Tustin will decrease as a result of COVID-19 and thus a change to the job accessibility and forecasted growth portions of the City's Draft RHNA Allocation should be made.

A. [Appeal Board Hearing and Review](#)

The City's appeal was heard by the RHNA Appeals Board on January 19 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011921fullagn.pdf?1610770557>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

B. [Appeals Board's Decision](#)

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) In regard to changed circumstances, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. It is speculative at this time to assume the level of long-term impacts that would affect the Final RHNA Allocation Plan which reflects existing and projected housing needs for the next eight years.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 19, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Tustin

RECOMMENDED ACTION:

Deny the appeal filed by the City of Tustin to reduce the Draft RHNA Allocation for the City of Tustin by 1,718 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Tustin requests a reduction of its RHNA Allocation of 1,718 units (from 6,765 units to 5,047*) based on changed circumstances. The City argues that projected employment in Tustin will decrease as a result of COVID-19 and thus a change to the job accessibility and forecasted growth portions of its Draft RHNA Allocation should be made.

* The City's documentation cites incorrect numbers for units allocated to the City; see Attachment 1 of the staff report for the correct allocation and breakdown of numbers.

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Tustin's Draft RHNA Allocation. The City proposes a 63.2% decrease to the job accessibility and job growth factors in the RHNA methodology to correspond with a 63.2% projected reduction in future employment growth due to Covid-19. Impacts from Covid-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within the City of Tustin is disproportionately impacted in comparison to the rest of the SCAG region. It is speculative at this time to assume the level of long-term impacts that would affect the Final RHNA Allocation Plan which reflects existing and projected housing needs for the next eight years.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Tustin (Final Determination of Appeals Decisions)

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Tustin: 6,765 units
 Very Low Income: 1,720 units
 Low Income: 1,043 units
 Moderate Income: 1,129 units
 Above Moderate Income: 2,873 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Tustin. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Changed Circumstances [Government Code 65584.05(b)].***

Citing the Covid-19 pandemic, the City of Tustin asserts that changed circumstances merit revisions to data previously relied upon. The City presents a variety of economic data from SCAG, UCLA, the California Employment Development Department (EDD), the Orange County Transportation

Authority (OCTA), as well as commercial real estate and investment firms to illustrate the economic impact of the pandemic. Based on this data, the City states that unemployment rates in the SCAG region are predicted to average 19.3% in 2020 and 12.2% in 2021. Full recovery to pre-recession levels is not projected until after 2022. Tustin cites the local impact on taxable sales, which could decrease by 26% to 38% over the next year. The City also references negative net migration Orange County has documented over the past decade that is expected to be exacerbated by Covid-19 as more employees work from home or decide to relocate. Finally, Tustin presents data to demonstrate the impact of Covid-19 on residential and commercial vacancies, citing a 72% reduction in lease activity and an increase in 6% in vacancy in Orange County in the 2nd quarter of 2020. The City estimates that the total projected future employment growth is expected to decrease by 63% as a result of Covid-19, a percentage change that when applied to the jobs accessibility and job growth portion of the RHNA methodology should result in a decrease of 1,718 units.

SCAG Staff Response: Generally, Tustin argues that long-range decreases in anticipated employment in the city should merit a reduction in its Draft RHNA Allocation.

SCAG's Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document's long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report¹ outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e. the SCAG's region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region's long-term competitiveness or the region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

Tustin's appeal cites the September 2020 UCLA Economic Forecast, which suggests a full recovery to pre-recession economic activity by 2022. This UCLA forecast is regional in nature and does not provide information on individual jurisdictions, and therefore, it cannot be used to justify a particular jurisdiction's appeal. Not to mention, any granted reduction would have to be redistributed to the region when in theory, all jurisdictions would be similarly impacted as shown in the regional study. Regardless, this evidence is in fact consistent with making no change to the 6th cycle of RHNA, whose projection period runs through 2029.

Tustin's appeal indicates that several employment data sources, commercial real estate, and investment firms were consulted in order to determine the impacts of COVID-19 on existing and future employment in the City. While statute requires the consideration of jobs-housing

¹ See https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_demographics-and-growth-forecast.pdf?1606001579

relationships and SCAG’s adopted RHNA Methodology uses a measure of *regional* job accessibility, jurisdictional-level employment data is not the principal driver of RHNA.

Specifically, it is unclear why retail or office vacancy would result in decreased housing need. In fact, studies by SCAG and others have highlighted how the repurposing of commercial spaces for housing may be a promising avenue for satisfying future housing need (see attached “Retail Land Use in Orange County” report).

Tustin’s appeal notes that regional taxable sales may decrease, however no evidence is provided as to why Tustin may be uniquely affected. Furthermore, while SCAG recognizes that sales tax revenue makes up a substantial part of many local jurisdictions’ revenue, which in turn can be used for housing-supportive programs and infrastructure, RHNA is not a building quota. Rather, a jurisdiction is required to plan and zone for housing unit need and is not required to finance or otherwise develop units directly. Additionally, changes to taxable sales do not negate housing need and does not remove a jurisdiction’s responsibility to plan for their need as represented by their RHNA Allocation.

The City also cites negative net migration in Orange County to indicate that the population is decreasing, and housing need may be reduced. SCAG’s demographic forecasting process, which undergirds the population projections used for the RHNA calculations and described in Attachment 1, has taken into account this trend. As aforementioned, during SCAG’s 120-day delay of adoption of the 2020 RTP/SCS, it was ultimately determined that long-range forecasts should not be changed as a result of the COVID-19 pandemic.

Tustin’s request for a reduction is based on the job accessibility measure used to assign existing housing need (see Attachment 1 for details). In 2045 a resident of Tustin can be expected to be able to reach 19.46% of the SCAG region’s jobs (1,955,000 jobs) within a 30-minute AM peak automobile commute. As such, it is based on jobs both within and outside of Tustin. This results in a housing need of 2,746 directly based on this factor.²

Tustin’s employment, derived through the Bottom-Up Local Input and Envisioning Process, is 53,029 jobs in 2020 and 70,760 jobs in 2045 (growth of 17,731 jobs). The City’s appeal suggests that COVID-19 results in a 33% decrease in growth from 2020-2045, which would reduce the City’s growth by 5,851 jobs. However, in referencing the study, the appeal suggests that COVID impacts jobs regionally this decrease would be felt everywhere equally, and Tustin residents would still have 19.46% of regional jobs accessible using this definition. There is no indication that these impacts are disproportionately affecting the jurisdiction. The COVID-19 pandemic has had various impacts throughout Southern California. Impacts from COVID-19 are not unique to any single SCAG

² Note that the residual need calculation is also based on job and transit access measures, in equal shares. Thus, half of the 2,241 units from this portion of the methodology are ultimately attributable to job access.

jurisdiction and no evidence has been provided in the appeal that indicates that housing need and related factors within Tustin is disproportionately impacted in comparison to the rest of the SCAG region.

In any event, the unemployment information reflects job loss according to the residence of unemployed individuals, not where the job loss occurred. Furthermore, and perhaps more importantly, it is speculative at this time to assume the level of long-term impacts that would affect the Final RHNA Allocation Plan which reflects existing and projected housing needs for the next eight years. While the City anticipates a 63% decrease in future employment growth and requests a corresponding 63% reduction in its job accessibility and job growth allocations, this application does not reflect how job loss data is calculated, and thus, SCAG staff does not recommend granting an appeal on this basis.

Additionally, long-range employment declines from COVID-19 are not anticipated. Tustin has not demonstrated how the use of employment data in the RHNA Methodology should reflect this change of circumstance.

While there has been an increase in telecommuting due to COVID-19, this circumstance is not limited to one jurisdiction or geography. Prior to February 2020, the regional average for telecommuting was approximately 7% and technological advances have made it increasingly easier for companies to offer telecommuting as an option for employees. Factors such as job and transit access in the RHNA methodology cover an 8-year period, not simply impacts that are in the immediate near-term. In fact, these two factors in the RHNA methodology are dependent on jobs and transit access in 2045 – a 25-year horizon -- as identified in SCAG's long-range Connect SoCal Plan. Since telecommuting increases the number of jobs within a jurisdiction based on their households, increasing the number of jobs that are accessed from home would increase job access, and therefore, may also increase the RHNA Allocation for the affected jurisdiction.

Finally, the COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. For this and the aforementioned reasons, SCAG staff does not recommend a reduction in the jurisdiction's RHNA Allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Tustin)
2. Retail Land Use Report
3. Map of Job Accessibility near the City of Tustin (2045)
4. Map of HQTAs in the City of Tustin (2045)
5. Appeal Form and Supporting Documentation (City of Tustin)
6. Comments Received During the Comment Period (General)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Tustin had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Tustin’s Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Tustin, the anticipated number of households in 2020 was 27,163 and in 2030 was 27,221 (growth of 58 households). In March, 2018, SCAG staff and CDR staff met with

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction’s Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff from the City of Tustin to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Tustin submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Tustin and incorporated them into the Growth Vision in December 2019. The City of Tustin's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d).)

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Tustin

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Tustin received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Tustin as summarized in the data and calculations in the tables below.

Tustin city statistics and inputs:		Calculation of Draft RHNA Allocation for Tustin city	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	48	Forecasted household (HH) growth, RHNA period:	48
Percent of households who are renting:	52%	Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	2
Housing unit loss from demolition (2009-18):	-	Replacement Need	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	3,604	TOTAL PROJECTED NEED:	49
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	19.46%	Existing need due to job accessibility (50%)	2764
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,955,000	Existing need due to HQTAs pop. share (50%)	1711
Share of region's job accessibility (population weighted):	0.66%	Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	2241
Jurisdiction's HQTAs population (2045):	41,826	TOTAL EXISTING NEED	6717
Share of region's HQTAs population (2045):	0.41%	TOTAL RHNA FOR TUSTIN CITY	6765
Share of population in low/very low-resource tracts:	35.16%	Very-low income (<50% of AMI)	1720
Share of population in very high-resource tracts:	16.11%	Low income (50-80% of AMI)	1043
Social equity adjustment:	150%	Moderate income (80-120% of AMI)	1129
		Above moderate income (>120% of AMI)	2873

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal's designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 41,826 living within HQTAs, the City of Tustin represents 0.41% of the SCAG region's HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Tustin's median TAZ, it will be possible to reach 19.46% of the region's jobs in 2045 within a 30-minute automobile commute (1,955,000 based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 2,241 units assigned to the City of Tustin.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF WESTMINSTER

Hearing Date: January 22, 2021

The City of Westminster has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Westminster submits an appeal and requests a RHNA reduction of 8,526 units (of its draft allocation of 9,737 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) – the Final RHNA Methodology does not use draft 2021 TCAC/HCD Opportunity Index scores data that would increase the percentage of the City's population living in a "low-resource area" from 38% to 52%, which would substantially reduce the City's RHNA Allocation.
- 2) Existing or projected jobs-housing balance – the RHNA Allocation will push the City further out of jobs/housing balance, only 7.2% of City residents work in the City; the City also challenges the objective of the RHNA Methodology to quantify access to regional jobs within a 30-minute driving commute, citing worse commute times within Westminster relative to the other eight cities within the Central Region Service Planning Area.
- 3) Affirmatively furthering fair housing - higher RHNA allocation per-capita and per-mile relative to the allocations of neighboring cities and the allocation promotes social inequity.

A. Appeal Board Hearing and Review

The City's appeal was heard by the RHNA Appeals Board on January 22, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City's appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing

comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph012221fullagn.pdf?1610771065>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

- 1) Regarding application of the adopted Final RHNA Methodology, the City proposes an alternative data source to calculate the percent of residents living in disadvantaged communities; however, the new data source was published seven months after the adoption of the Final RHNA Methodology.
- 2) Regarding existing or projected jobs housing balance, the City challenges SCAG's Methodology of determining share of regional jobs accessibility; however, the City's allocation on the basis of job accessibility was determined to be consistent with the Final RHNA Methodology.
- 3) Regarding affirmatively furthering fair housing, the City argues that their allocation promotes socioeconomic inequality; however, the Final RHNA Methodology was found by HCD to advance the five statutory requirements, including Affirmatively Furthering Fair Housing.

During the appeals hearing, the Appeals Board requested additional information regarding use of data sets and whether the best data was used in the RHNA process to identify disadvantaged communities (DACs). SCAG staff indicated that data sets change all the time, including how affordability criteria are calculated which could change SCAGs calculations in unpredictable ways. SCAG emphasized the importance of the consistent use of data based on the Final RHNA Methodology.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

Westminster also appeared to argue that a change in circumstance warranted revisiting the underlying data even though the City did not include this argument in its filed appeal. Even if SCAG considered this information in the context of a change in circumstance, the City did not explain how this change in circumstance merited a revision of the underlying data relied on by SCAG in developing the Final RHNA Methodology. SCAG staff explained that the correct data was included at the time of the development of the Final RHNA Methodology. Using a different data set for one jurisdiction which was compiled differently than the data underlying the Final RHNA Methodology as proposed by the City would effectively result in a change to the Final RHNA Methodology.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City's appeal and finds that the City's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 22, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of
Westminster

RECOMMENDED ACTION:

Deny the appeal filed by the City of Westminster to reduce the Draft RHNA Allocation for the City of Westminster by 8,526 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

RECOMMENDATION:

Deny the appeal filed by the City of Westminster to reduce the Draft RHNA Allocation for the City of Westminster by 8,526 units.

SUMMARY OF APPEAL:

The City of Westminster requests a reduction of its RHNA Allocation by 8,526 units (from 9,737 units to 1,211 units) based on the following factors:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Existing or projected jobs-housing balance
- 3) Affirmatively furthering fair housing

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal and recommend no change to the City of Westminster's RHNA Allocation. Regarding Issue 1, the City proposes an alternative data source to calculate the percent of residents living in disadvantaged communities; however, the new data source was published seven months after the adoption of the Final RHNA Methodology. Regarding Issue 2, Westminster challenges SCAG's Methodology of determining share of regional jobs accessibility; however, the

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Westminster (Final Determination of Appeals Decisions)

City's allocation on the basis of job accessibility was determined to be consistent with the Final RHNA Methodology. Regarding Issue 3, Westminster argues that their allocation promotes socioeconomic inequality; however, the Final RHNA Methodology was found by HCD to advance the five statutory requirements, including Affirmatively Furthering Fair Housing.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the Westminster: 9,737 units
 Very Low Income: 1,876 units
 Low Income: 1,470 units
 Moderate Income: 1,781 units
 Above Moderate Income: 4,610 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of Westminster. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].***

The City of Westminster argues that it is unfairly burdened by the application of the RHNA Methodology because the Methodology does not use draft 2021 TCAC/HCD Opportunity Index scores data that would increase the percentage of the City's population living in a "low-resource area" from 38% to 52%, which would qualify the City to receive a net residual factor of 5,516 units.

SCAG Staff Response: SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs assessment. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

With respect to the statutory objectives¹, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another.

¹ The objectives are: 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 (Govt. Code § 65584(d)).

The adopted RHNA Methodology has a clear delineation to determine whether a jurisdiction is identified as a disadvantaged community, or DAC.

In the methodology, several jurisdictions are considered DACs on the basis of their opportunity scores, but they also score highly in job and transit access. Such jurisdictions may have their total RHNA Allocations capped based on their long-range (2045) household forecast. This would result in a negative net residual factor and result in a lower RHNA Allocation than if the Methodology had not included this component. The purpose of this feature of the Methodology was to further two of the five objectives of State housing law, avoiding an overconcentration of lower income households where they are already located and affirmatively further fair housing. In HCD's comment letter dated December 20, 2020 (HCD Comment Letter), HCD specifically explains that the cap on units allocated to DACs furthers the AFFH statutory objective:

“Among the appeals based on Government Code section 65584.05(b)(2), several contend that the cap on units allocated to extremely disadvantaged communities (DACs) does not further RHNA's statutory objectives. This cap furthers the statutory objective to affirmatively further fair housing by allocating more units to high opportunity areas and fewer units to low resource communities, and concentrated areas of poverty with high levels of segregation. Due to the inclusion of this factor, as well as the use of TCAC/HCD Opportunity Maps, SCAG's methodology allocates 14 of the top 15 highest shares of lower-income RHNA to jurisdictions with over 99.95 percent High and Highest Resource areas. With the exceptions of two jurisdictions, the 31 jurisdictions with the highest share of lower-income RHNA are all over 95 percent High and Highest Resource areas. Any weakening of these inputs to the methodology could risk not fulfilling the statutory objective to affirmatively further fair housing.” (HCD Comment Letter at p.2).

The adopted RHNA Methodology defines a DAC as a jurisdiction where more than half of its population lives in high segregation and poverty or low resource areas as defined by the California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores.² Using this delineation, the City of Westminster's population in low/very low-resource tracts is 37.84 percent, which is below the 50 percent threshold to be considered DAC. While SCAG recognizes there may be other ways to

² The TCAC and HCD Opportunity mapping tool includes a total of 11 census-tract level indices to measure exposure to opportunity based on measures of economic, environmental, and educational factors (poverty, adult education, employment, low-wage job proximity, medium home value, CalEnviroScreen 3.0 indicators, math/reading proficiency, high school graduation rates, and student rate poverty). Regional patterns of segregation are also identified based on this tool. Based on its respective access to opportunity, each census tract is given a score that designates it under one of the following categories: High segregation & poverty, Low resource, Moderate resource, High resource, and Highest resource. Tract-level indices were summed to the jurisdictional-level by SCAG using area-weighted interpolation. Using 2013-2017 American Community Survey population data, SCAG determined the share of each jurisdiction's population in each of these five categories.

assess resource levels, disadvantage, and segregation, such as the City of Westminster’s proposal to use draft 2021 TCAC/HCD data, alternative data sources that use a different methodology than was used in the adopted Methodology cannot be used as a substitute data source as part of the RHNA appeals process.

TCAC data for 2019 were used in the adopted RHNA Methodology since they were the most recently available at the time of its development. As the purpose of the RHNA Methodology is to use objective factors to compare jurisdictions to each other, it would not be possible to substitute more recent data for one jurisdiction but not others. Furthermore, each annual release of TCAC’s opportunity mapping data is accompanied by a substantially revised methodology document, covering the changes and refinements made to their approach in the past year. For example, 2020 opportunity maps added a category of “Moderate Resource (Rapidly Changing)” which was not part of the approach in 2019. As such, newer versions of the opportunity maps are substantively different measurements.

The Final RHNA Methodology was adopted on March 5, 2020, and the draft TCAC/HCD Opportunity Index Scores that the City of Westminster contends should have been used in the Methodology were published in October 2020. As noted above, an appeal citing RHNA Methodology as its basis must appeal the application of the adopted Methodology, not the Methodology itself. The jurisdiction has not provided evidence that SCAG misapplied input data in the adopted Methodology and consequently miscalculated the percentage of the City’s population living within areas of high segregation and poverty or low-resource areas, but rather that data published months after the adoption of the Final RHNA Methodology would change the City’s Allocation. For this reason, SCAG staff does not recommend a reduction to its draft RHNA allocation based on this application of the adopted Final RHNA Methodology.

Issue 2: Existing or projected jobs-housing balance [Government Code section 65584.04(e)(1)].

The City contends that the Draft RHNA Allocation will increase the job/housing imbalance. The City cites the fact that only 7.2% of employed Westminster residents work in the city as well as its 0.65 jobs/housing ratio, which demonstrates that it has 50% more housing availability than it does jobs. Moreover, the City challenges the objective of the RHNA Methodology to quantify access to regional jobs within a 30-minute driving commute, citing worse commute times within Westminster relative to the other eight cities within the Central Region Service Planning Area.

SCAG Staff Response: The adopted RHNA Methodology includes a calculation of job accessibility as one of the factors to determine a jurisdiction’s Draft RHNA Allocation. Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute (additional details are found in the adopted RHNA Methodology). This is not a measure of the number of jobs within a jurisdiction nor a measure of average commute times between cities; rather, it is a

measure of how many jobs can be accessed by a jurisdiction's residents, which can include jobs outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which calls for an approach to the region's job housing relationship through the measurement of access rather than number of jobs within a certain jurisdiction. Limiting a jobs housing balance solely within jurisdictions can effectively worsen a regional jobs housing balance and thus SCAG staff does not recommend a reduction/increase to the jurisdiction's Draft RHNA Allocation based on this factor.

Issue 3: Affirmatively furthering fair housing.

The City of Westminster argues that they received a higher RHNA allocation on a per-capita and per-mile relative to the allocations of neighboring cities. The City further contends that the RHNA Allocation they received promotes socioeconomic inequity, citing the City's relatively high Asian and Latino and Hispanic (non-white) populations, compared to the lower per-capita RHNA allocations of neighboring cities with relatively higher white populations, lower poverty rates, and higher incomes.

SCAG Staff Response: See also Response to Issue 1 above. One of the five objectives of RHNA law is to ensure that the RHNA allocation plan allocates "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". While SCAG staff accepts the assertion that the City of Westminster has a currently disproportionately high percentage of lower income households in comparison to the other eight cities in the Central Region Service Planning Area, the RHNA Methodology addresses this disparity through its social equity adjustment and inclusion of access to resources as an influencing factor.

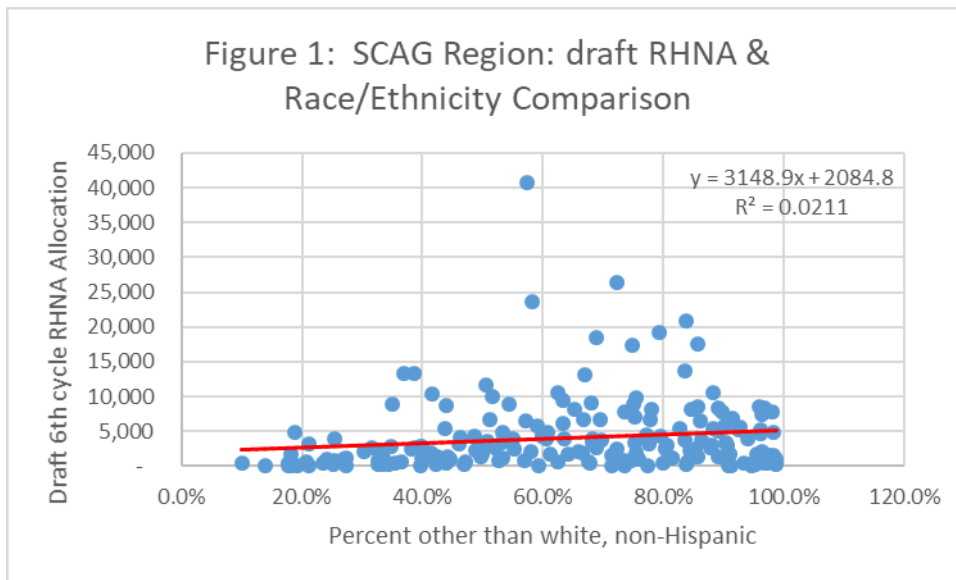
To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing (AFFH), the RHNA Methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution in comparison to the county distribution, also known as a "social equity" adjustment. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories. For example, approximately 37% of the City of Westminster's households are considered very low income while 25.2% of the County's households are very low income. After a social equity adjustment to reduce the high concentration of low income households within the City, the City's requirement to accommodate very low income households in its Draft RHNA Allocation was reduced to 19.3%, far lower than the county distribution of 25.2%. Thus, the RHNA Methodology, and by extension the jurisdiction's Draft RHNA Allocation, has already considered this objective to ensure that there is not an overconcentration of

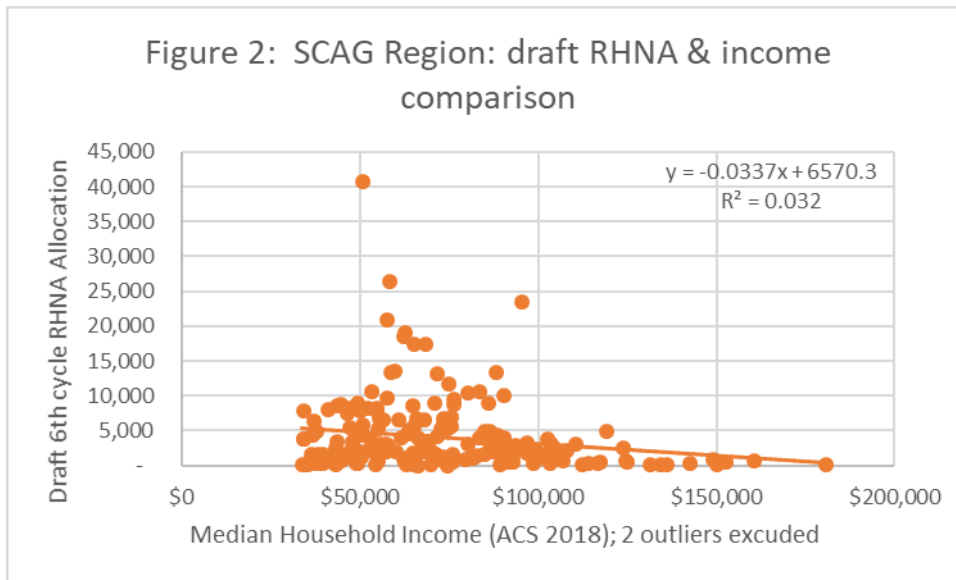
lower income households in these currently impacted areas. For this reason, SCAG staff does not recommend a reduction to the jurisdiction’s Draft RHNA Allocation based on this factor.

The City’s comparisons of Draft RHNA Allocation by income, poverty level, and race/ethnicity also include a small subset of neighboring jurisdictions, whereas RHNA’s statutory objectives are regional in nature. As aforementioned, the RHNA Methodology must balance several statutory objectives and HCD’s approval indicates that these have been sufficiently met. Generally speaking, in the SCAG region, job accessibility and transit accessibility tend to be higher in non-white and lower income areas.

The below analysis compares 195 SCAG local jurisdictions based on 2018 American Community Survey data found in SCAG’s 2019 local profiles as well as the RHNA Methodology data appendix (note that Los Angeles City and County are removed since their RHNA allocations in excess of 80,000 units are statistical outliers):

- Draft 6th cycle RHNA allocation
- Percent of population **other than** white, non-Hispanic
- Median household income





Source for two figures above: ACS 2018.

Figure 1, shows the 6th Cycle draft allocation as compared to percentage of the population that is other than white, non-Hispanic and indicates a modest, but not statistically significant relationship between minority (i.e. other than white, non-Hispanic) population share and Draft RHNA Allocation across the region’s local jurisdictions. Figure 2, shows the 6th cycle draft allocation as compared to median household income and indicates a modest, but not statistically significant, relationship between median household income and Draft RHNA Allocation.

Ultimately, these scatterplots indicate that there is not a strong predominant relationship between any of these factors regionally, and certainly not a “nearly direct correlation” as Westminster argues. Ultimately, HCD’s analysis (found in the attached comment letter) confirms these findings vis-à-vis RHNA’s statutory objectives. Based on the discussion above, SCAG does not recommend a change in the City’s Draft RHNA Allocation based on affirmatively furthering fair housing.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (City of Westminster)
2. Appeal Form and Supporting Documentation (City of Westminster)
3. Comments Received During the Comment Period (General)
4. Map of HQTAs in the City of Westminster (2045)
5. Map of Job Accessibility in the City of Westminster (2045)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Westminster had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Westminster's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.³ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁴ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Westminster, the anticipated number of households in 2020 was 26,683 and in 2030 was 27,448 (growth of 765 households). In March 2018, SCAG staff and CDR staff met with

³ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁴ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff from the City of Westminster to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Westminster submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Westminster and incorporated them into the Growth Vision in December 2019.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and

public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁵ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

⁵ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Westminster

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Westminster received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Westminster as summarized in the data and calculations in the tables below.

Westminster city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	631
Percent of households who are renting:	47%
Housing unit loss from demolition (2009-18):	58
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,154
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	21.61%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	2,172,000
Share of region's job accessibility (population weighted):	0.78%
Jurisdiction's HQT population (2045):	67,353
Share of region's HQT population (2045):	0.66%
Share of population in low/very low-resource tracts:	37.84%
Share of population in very high-resource tracts:	0.00%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Westminster city	
Forecasted household (HH) growth, RHNA period:	631
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	20
Replacement Need	58
TOTAL PROJECTED NEED:	709
Existing need due to job accessibility (50%)	3259
Existing need due to HQTAs pop. share (50%)	2755
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	3013
TOTAL EXISTING NEED	9027
TOTAL RHNA FOR WESTMINSTER CITY	9737
Very-low income (<50% of AMI)	1876
Low income (50-80% of AMI)	1470
Moderate income (80-120% of AMI)	1781
Above moderate income (>120% of AMI)	4610

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 67,353 living within HQTAs, the City of Westminster represents 0.66% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units based on transit accessibility. From the City of Westminster's median TAZ, it will be possible to reach 21.61% of the region's jobs in 2045 within a 30-minute automobile commute (2,172,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 3,013 units assigned to the City of Westminster.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: CITY OF YORBA LINDA

Hearing Date: January 15, 2021

The City of Yorba Linda has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the City’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscscag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The City's Appeal

The City of Yorba Linda submits an appeal and requests a RHNA reduction of 2,200 units (of its draft allocation of 2,411 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) – RHNA Methodology is inconsistent with growth patterns of Connect SoCal in large part due the inclusion of “existing need;” further, the City indicates it doesn't have any Priority Growth Areas (PGA) and therefore assigning housing need to the City is inconsistent with the development patterns of Connect SoCal.
- 2) Existing or projected jobs-housing balance – the City has relatively few jobs and RHNA would increase housing units 167% above SCAG 2045 forecast which would force rezoning of commercial properties worsening the jobs-housing balance.
- 3) Sewer or water infrastructure constraints for additional development – the City has a high number of septic systems (56 per square mile) and conversion from septic to sewer is often cost prohibitive for developers.
- 4) Availability of land suitable for urban development or for conversion to residential use - the City provides information indicating that substantial portions of the City are constrained and cannot accommodate additional residential development.
- 5) Lands protected from urban development under existing federal or state programs - substantial areas of the City are constrained by various issues related to open space, protected species, etc. They also indicate that many properties are impacted by oil wells and are restricted in use by the Division of Oil, Gas and Geothermal Resources (DOGGR).
- 6) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans – see 1. above.
- 7) The rate of overcrowding – the City has relatively little overcrowding.
- 8) Loss of units during a state of emergency - several properties have not yet been rebuilt following the 2008 Freeway Complex Fire.

9) The region’s greenhouse gas (GHG) emissions targets - the potential for longer commutes as a result of placing homes in the City and associated increased GHG emissions.

10) Changed circumstances – updated information relative to HCD’s regional determination, COVID-19, DCA redistribution related to Santa Ana.

Other: Yorba Linda also argues that the 6th Cycle RHNA violates State law because HCD incorrectly developed the regional determination.

A. Appeal Board Hearing and Review

The City’s appeal was heard by the RHNA Appeals Board on January 15, 2021, at a noticed public hearing. The City, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the City’s appeal. That report provided the background for the draft RHNA allocation to the City and assessed the City’s bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The City’s staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph011521fullagn.pdf?1610159013>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board’s Decision

Based upon SCAG’s adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the City, HCD, other local jurisdictions, and the public prior to the close of the public hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized below.

1) and 6) Yorba Linda does not contest SCAG’s application of the Final RHNA Methodology; rather, Yorba Linda challenges the Final RHNA Methodology itself by asserting that the methodology is inconsistent with the SCS. While the RTP/SCS and RHNA differ in process and objectives,

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

the City has not demonstrated inconsistent regional development patterns between these processes; housing need measures are appropriately assigned through the Final RHNA Methodology based on household growth in the RTP and factors maximizing the use of public transportation and existing transportation infrastructure.

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not part of the growth **forecasting** process. They reflect housing needs in the **current** population (i.e., “existing need”) and do not result in a change in regional population. In accordance with Govt. Code § 65584.04(m)(1), this existing need is distributed consistent with the development pattern included in the SCS by distributing these units based on transit adjacency and proximity to jobs.

Based on the analysis contained in this determination and the record before the RHNA Appeals Board and for the reasons stated below, the RHNA Appeals Board finds and determines that the RHNA allocation for the City is consistent with the SCS.

- 2), 5), 7), and 9) Regarding existing or projected jobs-housing balance, lands protected from urban development under existing federal or state programs, rate of overcrowding, and the region’s greenhouse gas targets, these issues are all addressed in the Final RHNA Methodology at the regional level and not at the jurisdictional level as suggested by the City’s comments. SCAG’s Final RHNA Methodology data appendix, which has been available online since at least mid-2019, contains a direct jurisdiction-level comparison of population and employment using the Census Longitudinal Employer Household Dynamics (LEHD) dataset. Additionally, current and future population, employment, and household totals for the City of Yorba Linda from Connect SoCal and vetted by the City in the Bottom-Up Local Input and Envisioning Process (described in Attachment 1) were used throughout the process. Limiting a jobs housing balance solely within jurisdictions can effectively worsen a regional jobs housing balance. It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors should have been considered at the local level. In its appeal on this issue, Yorba Linda is requesting a change to the adopted Final RHNA Methodology which cannot be

considered by the Appeals Board. With respect to GHG emissions, the evidence presented by Yorba Linda only addresses the impacts of potential Yorba Linda residents—not an assessment of the draft RHNA allocation region-wide.

- 3) Regarding sewer constraints, a lack of sewer infrastructure can only be a basis for appeal if sewer service is restricted due to existing laws or regulations, or a service provider other than the jurisdiction has made a decision that precludes the jurisdiction from permitting units. The City's appeal has not met these criteria.
- 4) Regarding availability of land and lands protected from urban development, while Yorba Linda demonstrates constraints to development on some portions of the City, the City has not provided evidence prior to the close of the public hearing that it cannot accommodate housing using other considerations such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.
- 8) Regarding a loss of units due to a state emergency, the loss of units from the 2008 fire has already been factored into replacement need in the RHNA methodology.
- 10) Regarding changed circumstances, Yorba Linda cannot justify the use of updated materials from the Embarcadero Institute and Freddie Mac in light of the fact that these materials pertain to the regional determination which is not an allowable basis of appeal. The City also did not provide evidence prior to the close of the public hearing demonstrating that COVID-19 related unemployment or potential job location changes reduce housing need in any way. In addition, impacts from COVID-19 have not been shown to be long-range; as determined by the RHNA Appeals Board, there has not been a slowdown in major construction or a decrease in demand for housing or housing need. Furthermore, impacts from the pandemic are not unique to any single SCAG jurisdiction, and no evidence has been provided in the appeal prior to the close of the public hearing that indicates that housing need within the jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. The City's contention that it no longer makes sense to have a housing plan which focuses growth around jobs and commute patterns, offered without evidence related to anticipated future work-from-home rates, would represent a change to the RHNA methodology which cannot be considered by the Appeals Board.

Other: With respect to the HCD's regional determination, this is not a valid basis for appeal since the Appeals Board has no authority to change the regional determination and the City's assertion and opinion is not a basis to appeal as specified in Govt. Code Section 65584.05(b)).

Prior to the close of the public hearing the City provided a letter (dated January 14, 2021) in response to the staff report. Under Section 65584.05(d), the purpose of the public hearing is to "consider all appeals filed" and "all comments received" from HCD and local jurisdictions pursuant to Section 65584.05(c) (i.e., by December 10, 2020); however, staff and the Appeals Board nevertheless considered the City's submittal as part of the hearing on the City's appeal. In the letter, the City expanded on their argument that the adopted Final RHNA Methodology and consistency with the SCS are bases of appeal based on language in Government Code section 65584.04(m). The City also commented on aspects of the methodology and HCD determination of existing need and provided more details on development constraints in the City, including detailed review of available sites in the City and ability to undertake ADUs. Finally, the City raised an additional argument regarding whether the Attorney for the Appeals Board may serve in an advisory/evaluative role for both the Appeals Board and SCAG staff. These issues are addressed below.

Adopted Final RHNA Methodology and Consistency with the SCS as Bases for Appeal Based on Government Code section 65584.04(m)

The RHNA Appeals Board understands the City's position that the final RHNA allocations must be consistent with the development pattern in the SCS. Indeed, any appeals granted would need to be consistent with the SCS development pattern as required by Section 65584.05(b) which states: "[a]n appeal pursuant to this subdivision shall be consistent with, and not to the detriment of the development pattern in [the SCS]." The SCS development pattern embodies the five objectives which require the RHNA allocation plan to encourage efficient development patterns and achieve the region's GHG emissions targets. But, consistency with the SCS development pattern is not technically a basis for appeal as set forth by the statute. However, there is much overlap of the issues between the SCS development pattern and two of the local planning factors, namely (1) Section 65584.04(e)(3) "[t]he distribution of household growth assumed for purposes of comparable [RTPs]" and (2) Section 65584.04(e)(12) "[t]he region's GHG targets provided by CARB". Therefore, the RHNA Appeals Board determines and finds that SCAG has addressed this SCS consistency issue in the context of these two factors in Issues 6 and 9 of the staff report.

In any event, Section 65584.05(b)(2) describes the grounds for appeal as follows:

“[SCAG] failed to determine the share of the regional housing need in accordance with the **information described in**, and the **methodology** established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in [Section 65584(d)].” (Emphasis added)

The City appears to misinterpret Section 65584.05(b)(2) and neglects to cite the language referencing “information described in Section 65584.04”; rather, the City effectively reads this phrase as “in accordance with Government Code Section 65584.04”.¹²

Consistent with the language in Section 65584.05(b)(2), the RHNA Appeals Board interprets the grounds for appeal based on application of methodology in its Appeals Procedures as follows:

“[t]hat SCAG failed to determine the jurisdictions share of the regional housing need in accordance with the **information described in the Final RHNA Methodology** established and approved by SCAG, and in a manner that further, and does not undermine the five objectives listed in Government Code Section 65584(d).” (Emphasis added).

Nevertheless, as indicated above, as reflected by the record before the RHNA Appeals Board, SCAG did address the SCS consistency issue in the staff report in the context of consideration of planning factors.

HCD Determination and Available Land

None of the additional information provided in the City’s January 14, 2021 letter changes SCAG’s conclusions regarding the appeal presented by the City of Yorba Linda.

¹² A summary of Section 65584.04 is as follows:

- Section 65584.04 describes the survey to be conducted by SCAG to collect **information** to develop the methodology (Section 65584.04(b)).
- Then subsection (e) describes how SCAG must use the **data collected** and include the local factors to develop the **methodology**.
- Subsection (f) requires SCAG to explain in writing how the factors were incorporated into the **methodology**.
- Subsection (g) explains the criteria that “shall not be a justification for a determination or a reduction in a jurisdiction’s share of the regional housing need,” which includes (1) ordinances that limit residential permits; (2) prior underproduction of housing; and (3) stable population growth from previous RHNA cycle.
- Subsection (h)-(l) explain the procedure for adopting the **methodology**
- Finally, Subsection (m) explains the intent of the Legislature in ensuring consistency of the allocation plan with the development pattern of the SCS.

Subsection (m) does not reference any information or data collected or the methodology, and as such, it is not a basis for appeal.

Attorney for the Appeals Board May Serve in an Advisory/Evaluative Role for Both Appeals Board and Staff

During the hearing, the City asserted that its due process rights were violated because the attorney for the Appeals Board, Patricia Chen, was also “advocating” for staff. Ms. Chen indicated that she was not serving as an advocate for any party including staff, appellants, or the Appeals Board, but rather, she has been assisting the Appeals Board and staff understand the statutory framework of the RHNA process and advising as to SCAG’s duties and responsibilities under the statute.

In the California Supreme Court decision, *Today's Fresh Start, Inc. v. Los Angeles County Office of Education*, 57 Cal.4th 197 (2013), an attorney served as both general counsel for the County Office of Education and its governing board. At issue was a legal challenge brought by a charter school seeking to overturn the County Board’s decision to revoke its charter on the grounds that the County Office and County Board had an unconstitutional overlapping adversarial and advisory functions in part because the same attorney served as general counsel for both the County Office and the County Board. The court found no impropriety on the part of the attorney serving in both roles:

“Today's Fresh Start repeatedly characterizes her as a prosecutor, but this misstates both the nature of the proceedings and [the attorney’s] role. The County Board was charged with considering and weighing the fruits of the staff investigation and what it showed in favor of and against revocation, as well as the argument and evidence of Today's Fresh Start. Statutorily, the County Office and County Board had no agenda, no stake in one outcome or the other. Thus, like many administrative proceedings the United States Supreme Court and we have previously approved, this was not a classic adversarial hearing, with a prosecutor and a defendant. There was no prosecutor here. [The attorney] presented no evidence, examined no witnesses, and made no argument in favor of revocation. Instead, [the attorney’s] role was to advise the County Board on its duties in deciding whether to direct charter revocation, just as she had previously advised County Office staff as to their powers and responsibilities when conducting an investigation of Today's Fresh Start. In neither capacity was she charged with being an advocate or an adjudicator.” (Id. at 223).

Similar to the facts underlying the decision in *Today’s Fresh Start*, the RHNA appeals are not the type of “classic adversarial hearing with a prosecutor an defendant” which case law has held, in other contexts, requires a separation of functions between counsel prosecuting a matter and counsel advising a neutral decision making body (i.e., with a prosecutor and defendant). In the present appeal (and all other appeals heard by the RHNA Appeals Board) the nature of the appeal (allocation of RHNA units based on statute and approved methodology) is not adversarial or prosecutorial, and, further, Ms. Chen

did not present evidence, examine witness, or make specific arguments in favor of an outcome. While due process may be required to separate the function of “adversarial” or “prosecutorial” advocates from attorneys advising decisionmakers, separation of functions is not required when an attorney serves in an evaluative or advisory role in a non-adversarial or prosecutorial hearing, and (in that case) the same attorney may serve as advisor to both staff and the decisionmaker. The record demonstrates and the RHNA Appeals Board specifically finds the facts demonstrate that Ms. Chen served in an evaluative and advisory role during the RHNA appeals process. As such, no due process violation occurred based on these facts.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the City’s appeal and finds that the City’s RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG’s Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 15, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kevin Kane, Senior Regional Planner,
(213) 236-1828, kane@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Yorba Linda

RECOMMENDED ACTION:

Deny the appeal filed by the City of Yorba Linda to reduce the draft RHNA allocation for the City of Yorba Linda by 2,200 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The City of Yorba Linda requests a reduction of its RHNA allocation by 2,200 units or 91 percent (from 2,411 units to 211 units) based on the following ten issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Existing or projected jobs-housing balance
- 3) Sewer or water infrastructure constraints for additional development
- 4) Availability of land suitable for urban development or for conversion to residential use
- 5) Lands protected from urban development under existing federal or state programs
- 6) Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
- 7) The rate of overcrowding
- 8) Loss of units during a state of emergency
- 9) The region's greenhouse gas (GHG) emissions targets
- 10) Changed circumstances

Other: Yorba Linda also argues that the 6th Cycle RHNA violates State law because HCD incorrectly developed the regional determination.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the City of Yorba Linda (Final Determination of Appeals Decisions)

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the City of Yorba Linda's RHNA allocation.

In Issues 1 and 6, Yorba Linda does not contest SCAG's application of the Final RHNA Methodology; rather, Yorba Linda challenges the Final RHNA Methodology itself by asserting that the methodology is inconsistent with the SCS. Given the differences in process and objectives between the RTP and RHNA, the City has not demonstrated inconsistent regional development patterns between these processes; housing need measures are appropriately assigned through the Final RHNA Methodology based on household growth in the RTP and factors which maximize the use of public transportation and existing transportation infrastructure.

With respect to Issues 2, 5, 7 and 9, these issues are addressed at the regional level or above and not at the jurisdictional level as suggested by the City's comments and therefore SCAG staff cannot recommend granting an appeal on these bases.

With respect to Issue 3, a lack of sewer infrastructure can only be appealable if a provider other than the jurisdiction has made a decision that precludes the jurisdiction from permitting units and the appeal has not met this criterion.

With respect to Issue 4, availability of land and lands protected from urban development, while Yorba Linda demonstrates constraints to development on some portions of the City, this does not preclude development on the substantial remaining land which is not so encumbered which might be possible under alternative zoning and land use restrictions. As such, SCAG staff cannot recommend granting an appeal on these bases.

With respect to issue 8, a loss of units due to a state emergency based on the appeal's argument has already been factored into replacement need in the RHNA methodology.

For Issue 10, Yorba Linda cannot justify the use of updated materials from the Embarcadero Institute and Freddie Mac in light of the statutory framework. The City also does not provide evidence suggesting that COVID-19 related unemployment or potential job location changes reduce housing need in any way. The City's contention that it no longer makes sense to have a housing plan which focuses growth around jobs and commute patterns, offered without evidence related to anticipated future work-from-home rates, would represent a change to the RHNA methodology which cannot be considered by the Appeals Board.

Other: With respect to the HCD's regional determination, this is not a valid basis for appeal since the Appeals Board has no authority to change the regional determination.

BACKGROUND:**Draft RHNA Allocation**

Following the adoption of the final RHNA methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the City of Yorba Linda: 2,411 units
Very Low Income: 763 units
Low Income: 450 units
Moderate Income: 457 units
Above Moderate Income: 741 units

Additional background related to the draft RHNA allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

One comment was received from a local jurisdiction during the 45-day public comment period described in Government Code section 65584.05(c):

- The City of Yorba Linda submitted a comment on December 1, 2020 elaborating on points made in its own appeal, specifically related to consistency between RHNA and Connect SoCal and describing planning constraints in areas such as fire hazard zones in additional detail.

In addition, three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issues 1 and 6: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code section 65584.05 (b)(2)] and distribution of household growth assumed for purposes of comparable Regional Transportation Plans [Section 65584.04(e)(3)].

Government Code section 65584.05(b)(2) sets forth the following basis for appeal:

“The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.”

Government Code section 65584.04(e)(3) provides that to the extent that sufficient data is available, the following factor shall be included in developing the methodology that allocates regional housing needs:

“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.”

Yorba Linda argues that the RHNA methodology is inconsistent with the growth patterns of Connect SoCal in large part due to the inclusion of “existing need” totaling 836,857 units. In Yorba Linda this results in a housing need per RHNA which is substantially larger than the forecast of households in Connect SoCal and assigning any additional units to the City beyond its 2045 projected household totals is inconsistent with Connect SoCal. Yorba Linda also contends that the RHNA methodology which was approved by the Regional Council in draft form on November 7, 2019 was insufficiently analyzed and publicly vetted.

Additionally, the City contends that because it does not have any Priority Growth Areas (PGA) within its boundaries, assigning housing need to the City based on this component results in an inconsistency with the development pattern of the Sustainable Communities Strategy. The appeal also argues that because the City has multiple natural and other constraints including certain land use designations that are identified as constraints in the Connect SoCal Plan, this furthers the indication that SCAG’s RHNA methodology is inconsistent with the development pattern of Connect SoCal.

SCAG Staff Response:Adoption of Final RHNA Methodology and Application to Yorba Linda

The adopted Final RHNA Methodology is a complex balance of several regional objectives ranging from jobs-housing balance to affirmatively furthering fair housing. With respect to the statutory objectives¹, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which can be used to evaluate all aspects of the methodology. Ultimately, however, the RHNA statute vests HCD with the authority to decide whether statutory objectives have been met.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory objectives in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another.

Attachment 1 describes in detail the allocation methodology and provides specific data for the City of Yorba Linda. Household growth provided by the City during the Bottom-Up Local Input and Envisioning Process totals 33 households for the RHNA period (an increase of 0.14% compared to the City’s 2020 anticipated household total of 23,130). Adding adjustments for vacancy and replacement need per the Final RHNA Methodology results in a total “projected need” of 34 units. However, as determined by HCD, a large share of the region’s housing need is based on factors other than future household growth and can be characterized as the “existing need” of the existing population.

SCAG’s RHNA methodology explicitly ensures that “existing need” units are allocated to jurisdictions across the region based on measures of transit and job accessibility such that future housing

¹ The objectives are: 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. (Govt. Code § 65584(d).)

development can maximize the use of public transportation and existing infrastructure. The measure of transit accessibility is defined as a jurisdiction's share of the region's population in a high quality transit area (HQTA) in 2045. The measure of job accessibility is defined as a jurisdiction's share of regional 2045 jobs accessible within a 30-minute drive commute (additional details are found in the adopted RHNA methodology). In addition, the distribution of existing need includes a commitment to social equity in the form of the social equity adjustment and the reallocation of "residual" housing need from lower-resourced jurisdictions. Residual need is housing need that is reallocated from disadvantaged communities (DACs) to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with affirmatively furthering fair housing (AFFH principles). This reallocation of residual need is also based on job and transit access measures.

For the City of Yorba Linda, there are no HQTA areas within the city limit and therefore the City receives no allocation of units based on transit access. The majority of the City's draft RHNA allocation is associated with job accessibility. For the City of Yorba Linda, per Connect SoCal, 14.62% of the region's 2045 jobs are anticipated to be accessible to City residents and results in a draft RHNA allocation of 1,583 units. The remaining portion of the City's allocation is attributable to the reallocated residual need and results in an additional 793 units assigned to the City of Yorba Linda (see Attachment 1 for further discussion of the Final RHNA Methodology and adoption process).

Thus, Yorba Linda's share of the 1.34 million unit regional determination provided by HCD is 0.1797%. As confirmed in HCD's comment letter (attached), there are no further appeal procedures available to alter the SCAG region's housing needs determination and local governments may not challenge the regional determination pursuant to the appeal bases specified in Government Codes section 65584.05(b). Appeals are only allowed regarding the *application* of the adopted Final RHNA Methodology to an individual jurisdiction and as such evidence must be provided related to how the adopted methodology is applied (or misapplied) to a jurisdiction, rather than relative to factors which comprise the adopted Methodology or regional determination itself.

Housing Needs in RHNA and Household Growth in Connect SoCal (SCAG's 2020 RTP/SCS)

RHNA and Connect SoCal are two separate processes that are related by very specific requirements of the respective sections of state planning law.

The RHNA process identifies anticipated housing *need* over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. Actual housing production depends on a variety of factors external to the identification of need through RHNA—local jurisdictions frequently have sufficient zoned capacity but actual housing construction depends on market and other external forces. For example, per HCD's Annual Progress

Reports covering new unit permits through 2018, the region's low and very-low income permits totaled 19,328 units (2,494/year) compared to the RHNA allocation of 165,579 units (21,365/year)².

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. They reflect additional latent housing needs in the current population (i.e., "existing need") and do not result in a change in regional population.

The Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given regional factors such as births, deaths, migration, and employment growth as well as local factors, which includes the availability of zoned capacity.³ Furthermore, Connect SoCal addresses growth over a 25-year time horizon (through 2045).

The City provides evidence in its appeal and its comment letter that the City's anticipated household growth from 2021-2029 (33 households), its anticipated household growth from 2020-2045 of (200 households), and its draft RHNA allocation (2,411 housing units) are different. However, it is this difference between these two processes which accounts for the difference between the reasonably foreseeable household growth rate included in Connect SoCal and the development capacity target which RHNA envisions for the City of Yorba Linda. Note that there is no statutory requirement for these figures to match in order to show consistency between Connect SoCal and the RHNA. Rather, as the RHNA statute indicates and as discussed in more detail below, the allocation plan "shall allocate housing units within the region consistent with the development pattern included in the [SCS]." (Govt. Code § 65584.04(m)(1)).

SCS Development Pattern

SCAG agrees that the RHNA allocations must be consistent with the development pattern in the SCS. Indeed, any appeals granted would need to demonstrate that the revised allocation is "consistent with, and not to the detriment of, the development pattern in an applicable [SCS]". (Govt. Code Sec. 65584.05(b)). This requirement also mirrors one of the five objectives which requires the RHNA allocation plan to encourage efficient development patterns and achieve the region's GHG emissions targets (Govt. Code Sec. 65584(d)(2)). As discussed below, consistency with the SCS is not technically a basis for appeal as set forth by the statute. However, there is much overlap of consistency with the SCS and two of the local planning factors, Section 65584.04(e)(3)

² See <https://www.hcd.ca.gov/community-development/housing-element/index.shtml>

³ While Connect SoCal identifies and plans for reasonably foreseeable growth through the year 2045 it is also required to identify areas sufficient to house the 8-year RHNA need pursuant to Government Code Section 65080(b)(2)(B)(iii).

“[t]he distribution of household growth assumed for purposes of comparable [RTPs]” and Section 65584.04(e)(12) “[t]he region’s GHG targets provided by CARB”; therefore, SCAG addresses the RHNA allocation consistency with the SCS below and in Response to Issue 9 in this staff report. (Issue 6 -- the distribution of household growth assumed for purposes of comparable RTPs – is discussed as part of this response to Issue 1).

Connect SoCal’s Sustainable Communities Strategy represents a wide-ranging policy framework, strategies, and key connections which link land use and transportation goals across myriad stakeholders.⁴ No fewer than 19 different statutory requirements which the SCS must satisfy are addressed (p. 6-7). The SCS includes dozens of individual, local projects and comprehensive outreach and scenario exercises which include, among other things, priority growth areas (PGAs) and constraint areas. The City of Yorba Linda’s appeal makes extensive reference to on the strategy of focusing growth in PGAs and avoiding growth in Constraint Areas, noting that Yorba Linda does not have any discrete PGAs within its boundaries. PGAs include job centers, high quality transit areas HQTAs, and neighborhood mobility areas (NMAs). Each of the local planning factors that relate to the City’s constraints to growth arguments are discussed as separate issues in Response to Issues 2 through 8 below.

While the RHNA process only permits SCAG to allocate jurisdiction-level totals (by income category), the SCS requires SCAG to model future transportation patterns and Greenhouse Gas (GHG) impacts, which requires an estimate of *where* within the jurisdiction future growth may occur. As such, the RHNA process requires adapting Connect SoCal’s key policy directions in order to ensure that *development patterns* are consistent across the two processes. For example, Connect SoCal achieves its jobs-housing balance objectives in part by envisioning a set of 72 individual job centers across the region; however, this relies on within-jurisdiction prediction of the location of development (job centers are one part of Priority Growth Areas and are illustrated in Exhibit 1 of the Connect SoCal SCS Technical Report⁵). The final RHNA process adapts this concept by developing a measure of job accessibility at the jurisdiction-level—using Connect SoCal data (as illustrated in the job accessibility map in the RHNA Methodology Data Appendix⁶)—to ensure consistent strategic and policy direction. Half of the region’s existing need is allocated on job accessibility. As noted above, the City received 1,583 units based on its proximity to 14.62% of the regions 2045 jobs (plus residual need units also based on job accessibility).

Similarly, half of the region’s existing need is allocated on the basis of the jurisdiction’s share of the region’s population in an HQTA in 2045 as defined in Connect SoCal. As noted above the City of

⁴ https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_sustainable-communities-strategy.pdf

⁵ https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_sustainable-communities-strategy.pdf?1606002097.

⁶ <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-data-appendix-030520.pdf?1602189406>.

Yorba Linda receives zero units based on transit accessibility because there are no HQTAs within the City.

Also noted above, in addition to the units assigned based on proximity to jobs and transit, “residual need” units are assigned to affirmatively further fair housing. This reallocation is also based on the job and transit access measures described above, and results in an additional 793 units assigned to the City of Yorba Linda based on job accessibility. (The City received no residual need units based on HQTAs.)

Consistent strategic and policy direction results in the Final RHNA Methodology and Draft RHNA Allocation’s consistency with the development patterns in the SCS, pursuant to Government Code section 65584.04(m)(1). As such, a comparison simply based on whether a jurisdiction has priority growth areas is insufficient for understanding whether development patterns are consistent across these processes. For these reasons, SCAG staff does not recommend a reduction to Yorba Linda’s draft RHNA allocation based on the application of the methodology or the distribution of household growth in the RTP/SCS.

For further discussion see Attachment 1 as well as Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf

Note that while not a basis for an appeal, the City references Government Code section 65584.04(m)(1):

“It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.”

And Government Code section 65584.04(m)(3):

“The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan and furthers the objectives listed in subdivision (d) of Section 65584.”

While SCAG must make these findings upon the approval of a final RHNA allocation plan, they are not a basis for an appeal of Yorba Linda’s share of the region’s housing needs. The only bases for appeals are set forth in Government Code section 65584.05(b) and the 6th RHNA Cycle Appeals Procedures which include: (1) application of methodology; (2) consideration of information

submitted by local jurisdictions relating to local factors and AFFH; and (3) changed circumstances. Nevertheless, SCAG has addressed the consistency of the RHNA allocation with the SCS in the discussion above and in response to Issue 9.

In summary, the RHNA methodology was appropriately developed and adopted and consistently applied to all jurisdictions in the SCAG region, including Yorba Linda. Furthermore, the SCAG's draft RHNA allocation plan is consistent with the development pattern in the SCS. Therefore, SCAG staff do not recommend a reduction in Yorba Linda's draft RHNA allocation based on application of the RHNA methodology.

Issue 2: Existing or projected jobs-housing balance [Government Code section 65584.04(e)(1)].

Government Code section 65584.04(e)(1)] provides that to the extent that sufficient data is available the following factor shall be included in developing the methodology that allocates regional housing needs:

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

The City contends that it has relatively few jobs including only 0.2% of the region’s low wage jobs and the RHNA would increase housing units 167% above SCAG’s 2045 forecast which would force rezoning of commercial properties worsening the jobs-housing balance in the City.

SCAG Staff Response: SCAG considered the city’s job-housing relationship. SCAG’s RHNA methodology data appendix, which has been available online since at least mid-2019, contains a direct jurisdiction-level comparison of population and employment using Census Longitudinal Employer Household Dynamics (LEHD) dataset. Additionally, current and future population, employment, and household totals for the City of Yorba Linda from Connect SoCal and vetted by the City in the Bottom-Up Local Input and Envisioning Process (described in Attachment 1) were used throughout the process.

The above-referenced code section mandates consideration of jobs-housing relationships; however, in the SCAG region, simple jobs-housing ratios (e.g. 22,400 households versus 11,424 jobs within the City of Yorba Linda) were deemed to be insufficient to further the RHNA objective in Government Code section 65584(d)(2) to promote an improved intraregional relationship between jobs and housing. Over 80 percent of SCAG region workers live and work in different jurisdictions,

which calls for an approach to the region's job housing relationship through the measurement of access rather than number of jobs within a certain jurisdiction. Limiting a jobs housing balance solely within jurisdictions can effectively worsen a regional jobs housing balance. Similarly, while Yorba Linda contends that rezoning commercial properties could reduce the City's jobs-housing ratio, this hypothetical impact on the ratio alone is not sufficient to demonstrate that jobs-housing relationships were not considered. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

Issue 3: Sewer or water infrastructure constraints for additional development [Section 65584.04(e)(2)(A)].

Government Code section 65584.04(e)(2)(A)] indicates that to the extent that sufficient data is available, the following constraint shall be included in developing the methodology that allocates regional housing needs:

“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.”

The City indicates that it has a high number of septic systems (56 per square mile) and conversion from septic to sewer is often cost prohibitive for developers.

SCAG Staff Response: For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. Yorba Linda's appeal specifically states that the Santa Ana Regional Water Quality Board has not identified a known capacity issue.

While converting from septic to sewer may represent a significant cost, this appeal basis relates exclusively to capacity issues and costs cannot be considered. Further, market conditions and the cost to develop and construct the allocated new housing units within a jurisdiction should not be considered by SCAG as a justification for a RHNA reduction since the RHNA Allocation does not provide a building quota or mandate. The City is not responsible for obtaining land, developing, or financing housing, it is only required to plan and zone for its determined housing need. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

Issue 4: Availability of land suitable for urban development or conversion to residential use [Section 65584.04(e)(2)(B)].

Government Code section 65584.04(e)(2)(B) indicates that to the extent that sufficient data is available the following constraint shall be included in developing the methodology that allocates regional housing needs:

“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.”

The City provides information indicating that substantial portions of the City are constrained and cannot accommodate additional residential development:

- 32.78% of the City is in Connect SoCal absolute constraint areas,
- 77.22% of the City is in Connect SoCal variable constraint areas; these include
 - o 6,700 acres in wildland urban interface areas,
 - o 750 acres in FEMA-designated flood hazard zones,
 - o 3,200 acres in very high fire hazard severity zones, and
 - o 2,100 acres of State and County parks.

Since the projected need component of the RHNA Methodology takes these constraints into account, Yorba Linda’s fair share allocation of housing units based on projected need should be 34 units (0.007% of the SCAG region). The City has extrapolated this to include the approximately 840,000 units due to existing need, including residual need, to claim that Yorba Linda’s share of the region’s total housing need should be 94 units (0.007% of the SCAG region).

The City indicates it has approximately 15 vacant properties totaling less than 10 acres of undeveloped land and most of the properties are small.

The City also points to their susceptibility to natural disasters (proximity to an earthquake fault, liquefaction areas, landslide potential, etc.) as well as the many properties with slopes of greater than 15% that are challenging and expensive to develop.

SCAG Staff Response: As discussed above in Response to Issue 1, the adopted Final RHNA Methodology is a complex balance of several regional objectives. It requires consideration of local factors; however, ultimately these must be balanced with the five statutory objectives of RHNA using objective factors which can be applied equitably across 197 jurisdictions. There is no requirement to directly consider each local planning factor or RHNA objective in each part of the RHNA methodology.

Government Code section 65584.04(i) vests authority to assess whether a methodology furthers the statutory objectives in HCD. In HCD's January 13, 2020 letter (attached), HCD finds that SCAG's RHNA methodology furthers all five statutory objectives, noting specifically that "*HCD applauds the use of objective factors specifically linked to the statutory objectives in the existing need methodology.*" Based on this, it is reasonable to conclude that a methodology which did not include the existing need in this or a substantively similar manner might not be found to further all five statutory objectives.

Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "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" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use," as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of "available" land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

"In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land." (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth. Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land

use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

Yorba Linda's assessment that it should be responsible for 0.007% of the region's housing need would represent a 53-fold deviation from the City's 0.18% share of the draft RHNA allocation and is even further from the City's 0.36% share of the SCAG region's population (DOF 2019). If, assuming changes of this nature could be made equitably to all regions in the jurisdiction, this would represent a substantial deviation from the methodology which would very likely compromise HCD's compliance finding.

Yorba Linda identifies only 10 acres' worth of vacant properties in the City which have not been developed, entitled, or are in the process of entitlement that are available for urban development and contends that SCAG did not consider land availability pursuant to Government Code Section 65584.04(e)(2)(B). As described above and in Attachment 1, these constraints were discussed at length and directly considered in SCAG's 6th cycle RHNA methodology. However, locally-reviewed growth forecasts (which resulted in a projected need of 34 units in Yorba Linda) are not the only part of the RHNA methodology—additional units are assigned on the basis of job and transit accessibility in particular.

While zoning and capacity analysis is used to meet RHNA need, they should not be used to *determine* RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need.

SCAG recognizes there are many environmental and other constraints to development on portions of the land in the City of Yorba Linda. However, this does not preclude additional residential development (i.e. infill) outside of such constrained areas. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, alternative zoning and density, and accessory dwelling units. On June 10, 2020, HCD released extensive guidelines for housing element site inventories which takes into account AB 1397's changes⁷. A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, the guidelines indicate that (page 32):

⁷ See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction’s RHNA allocation based on this factor.

Issue 5: Lands protected from urban development under existing federal or state programs [Section 65584.04(e)(2)(C)].

Government Code section 65584.04(e)(2)(C) provides that to the extent that sufficient data is available the following constraint shall be included in developing the methodology that allocates regional housing needs:

“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 nonagricultural uses.”

Yorba Linda indicates that substantial areas of the City are constrained by various issues related to open space, protected species, etc. They also indicate that many properties are impacted by oil wells and are restricted in use by the Division of Oil, Gas and Geothermal Resources (DOGGR).

SCAG Staff Response: See also Response to issue 4 above. It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. Attachment 1 describes SCAG’s extensive Bottom-Up Local Input and Envisioning Process which provided extensive engagement and review opportunities to ensure that forecasting growth in constrained areas was avoided if possible. An updated version of the draft data/map book originally provided to and discussed with Yorba Linda in March 2018 is available at <https://scag.ca.gov/sites/main/files/file-attachments/yorbalinda.pdf> and specifically includes data on coastal inundation/sea level rise, protected natural lands, and flood hazard zones. Similar information was received through Yorba Linda’s Local Planning Factor Survey. While maps were not explicitly provided regarding fire hazard, the local input process provided the City with the opportunity to make changes based on any additional constraint.

The RHNA methodology has provided ample input opportunity regarding these constrained areas and their inclusion has resulted in Yorba Linda having one of the region's lowest housing need due to projected growth at 34 units. The City of Yorba Linda's appeal does not provide evidence that any of these constraints have changed since the City's local input was provided.

In addition, while the jurisdiction has indicated it cannot accommodate units in specific areas, no evidence has been provided that the jurisdiction cannot accommodate its RHNA allocation in other areas. The City provides a detailed analysis indicating that these constraints would restrict development in portions of Yorba Linda. However, the presence of protected open space or other constrained areas alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

Issue 7: The rate of overcrowding [Section 65584.04(e)(7)].

Government Code section 65584.04(e)(7)] provides that to the extent that sufficient data is available, "the rate of overcrowding" shall be included as a factor in developing the methodology that allocates regional housing needs.

The City indicates that it has only of 452 "overcrowded" housing units (or 1.98% overcrowding rate) and that the Department of Finance shows an average of 3.04 persons per household in Yorba Linda. Therefore, overcrowding is not a significant issue within the City of Yorba Linda.

SCAG Staff Response: Government code 65584.01 *et seq.* allows HCD to use the region's level of household overcrowding as a factor in determining regional housing need. HCD elected to use this measure and determined that the region's level of overcrowding merited an adjustment to the region's housing needs based on extent to which the region's overcrowding rate exceeds the nation's. This results in an adjustment of 459,917 units (comprising 34.2% of the total regional housing needs determination of 1,341,827 units). Both statute and HCD's interpretation thereof frame overcrowding as an issue relevant to the regional housing market and not one limited by jurisdictional boundaries. Put differently, overcrowding is a regional issue relevant to jurisdictions with both high and low levels of overcrowding themselves. There is no requirement that housing units are allocated to jurisdictions on the same basis whereby HCD assigned housing need to the SCAG region (i.e. allocated to jurisdictions on the basis of their individual overcrowding rates, in this instance). SCAG's adopted RHNA methodology relies on other factors to distribute housing need – namely job and transit accessibility – which more acutely further RHNA's statutory objectives particularly related to increasing the mix of housing types, promoting socioeconomic equity, improving the interregional jobs-housing balance, and affirmatively furthering fair housing (AFFH).

The City argues that the US Census Bureau's definition of overcrowding may count examples which are not "extreme" such as a married couple living in a studio as overcrowded. However, Government Code section 65584.01(b)(1)(C)(i) specifically defines overcrowding in the same manner as the Census Bureau definition:

"The term "overcrowded" means more than one resident per room in each room in a dwelling."

The Census Bureau also includes a category of "severe overcrowding" of more than 1.5 residents per room in each room in a dwelling to capture a different set of overcrowding cases; however, this is not referenced in statute. In its appeal on this issue, Yorba Linda is requesting a change to the adopted Final RHNA Methodology which cannot be considered by the Appeals Board. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

Issue 8: Loss of units during a state of emergency [Section 65584.04(e)(11)].

Government Code section 65584.04(e)(11) provides that to the extent that sufficient data is available the following factor shall be included in developing the methodology that allocates regional housing needs:

"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."

Yorba Linda contends that several properties have not yet been rebuilt following the 2008 Freeway Complex Fire.

SCAG Staff Response: SCAG conducts a replacement need survey, described in Attachment 1, in order to solicit information on units which have yet to be rebuilt during the immediately preceding planning period (2009-2018). The purpose of a replacement need is to ensure support for household growth. If a unit is demolished and not replaced, the housing stock is reduced since there is one fewer unit available for a household and the jurisdiction must replace that unit in order to maintain its household growth. Yorba Linda submitted the attached replacement needs survey indicating no units have been lost but not replaced during this time. As such, the RHNA methodology assigned a replacement need of 0 units to Yorba Linda.

The City's appeal indicates that several properties have not yet been rebuilt from a 2008 state of emergency; however, the number of properties is not specified. Destroyed units would need to be replaced and this would be calculated by adding on additional units to the jurisdiction. However, since this state of emergency occurred before the immediately preceding planning period described in the above-referenced code section, SCAG staff does not recommend increasing Yorba Linda's draft RHNA allocation to include any units which have still not been replaced.

Issue 9: The region's greenhouse gas (GHG) emissions targets [Government Code section 65584.04(e)(12)].

Government Code section 65584.04(e)(12) provides that to the extent that sufficient data is available the following factor shall be included in developing the methodology that allocates regional housing needs:

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

The City's concerns relate to the potential for longer commutes as a result of placing homes in the City and associated increased GHG emissions.

SCAG Staff Response: As described in Attachment 1, from the City of Yorba Linda's median TAZ it will be possible to reach 14.6% of the region's jobs in 2045 within a 30-minute automobile commute. This ranks 62nd out of 197 jurisdictions in the SCAG region, and 22nd out of 35 jurisdictions in Orange County. The City's existing need allocation is based entirely on this moderate level of job accessibility (no units are allocated on the basis of future HQTAs since there are none in Yorba Linda). As such, the City's existing need allocation is reflective of its low-to-moderate level of contribution to potential regional GHG.

Yorba Linda uses a tool to assess the increase in trips associated with a potential increase of 2,411 households (equivalent to their draft RHNA allocation) indicating an increase in 23,000 daily trips while also noting the lack of current and future transit options in the city. The City contends that this RHNA allocation would increase the city's contribution to GHG emissions. However, as described in Attachment 1, the existing need measures which comprise the vast majority of the City's draft RHNA allocation reflect additional latent housing needs in the current population and would not result in a change in regional population.

The RHNA statute specifies that the *region's* GHG emissions target is a factor to be included in developing the RHNA methodology. The California Air Resources Board (CARB) GHG emissions reduction target of 19% by 2035 was achieved by Connect SoCal. The evidence presented by Yorba Linda only evaluates the impacts of potential Yorba Linda residents—not an assessment of the draft

RHNA allocation region-wide versus an alternative in which Yorba Linda receives a decreased allocation. As such SCAG staff do not recommend a reduction on this basis.

Issue 10: Changed circumstances [Government Code 65584.05(b)].

Yorba Linda identifies three changes in circumstance under this appeal basis:

- 1) *Updated information related to HCD's calculation of SCAG's regional housing needs determination of 1.34 million units*
- 2) *The COVID-19 pandemic's socioeconomic impacts, mostly related to job losses and changes to how people will work in the future*
- 3) *DAC redistribution related to the City of Santa Ana (these issues have also been raised in Yorba Linda's separate appeal of Santa Ana's draft RHNA allocation),*

SCAG Staff Response:

1) Regional Determination

Issues related to the regional determination are also discussed in Response to "other" issues below. The regional determination itself does not provide grounds for an appeal based on changed circumstances or any other possible appeal basis. As described in HCD's comment letter (attached), HCD determines the regional housing need total, no further appeal procedures are available to alter the SCAG region's total, and it cannot be appealed by local governments under Government Code Section 65584.05(b).

SCAG's development of a consultation package to HCD regarding the regional housing needs determination took place during the first half of 2019. During this time SCAG extensively reviewed a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and state. On March 27, 2019 SCAG convened a panel of fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, the RHNA statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitated the completion of the regional determination step by fall 2019 in order to allow enough time for the development of a methodology, appeals, and local housing element updates.

The defined timeframes are guided by the deadline for the housing element revisions for HCD's RHNA determination and SCAG's Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This "determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available provided by the COGs at that time. Similarly, the COG issues its survey for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at that time.

During both the consultation process and the filing of SCAG's formal objection to HCD's regional determination, SCAG extensively reviewed the issues brought up in these recent reports including a variety of indicators of housing backlog such as cost burden, overcrowding, demolition, and vacancy. In addition, SCAG has a well-developed program for forecasting population and household growth in the region which is conducted with the advice and collaboration of the state Department of Finance's forecasting staff. SCAG assessed the relationship between the measures used and not used in its analyses in order to avoid overlap ("double counting").

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. Following SCAG's formal objection filed on September 18, 2019, HCD did not materially change the regional determination following SCAG's formal objection filed on September 18, 2019, and there are no further mechanisms provided for in statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process—namely the adoption of a Final RHNA Methodology, conducting an appeals process, and issuing final RHNA allocations.

A report by Freddie Mac's Economic & Housing Research Group titled "The housing supply shortage: State of the states" was released in February 2020, and a slide deck titled "Double counting in the latest housing needs assessment" was placed on the Embarcadero Institute's website during 2020 (last update September 2020). Notwithstanding the merits (or lack thereof) of these studies, in order for such materials to have been considered by HCD, they would have had to have been submitted by June of 2019 as discussed above. Furthermore, as discussed above, SCAG's consultation package to HCD regarding the regional determination contained an extensive

quantitative assessment of overcrowding, vacancy, and cost burden factors and a discussion of the issue of double-counting.

Additionally, the studies referenced are regional in nature and do not provide information on individual jurisdictions. For an appeal to be granted on the incorrect application of RHNA methodology, arguments and evidence must be provided that demonstrate the methodology was incorrectly applied to determine the jurisdiction's share of regional housing need. Because a regional study does not meet this criterion, these studies cannot be used to justify a particular jurisdiction's appeal. Moreover, any reduction would have to be redistributed to the region when in theory, all jurisdictions would be impacted by the regional study.

In sum, it would be untenable to reopen the process anytime new data or materials become available, particularly when there is a codified process. If so, there would be no finality to the process and local government could not meet the deadlines for their housing element updates. Procedurally, SCAG cannot consider a regional study outside of the regional determination process nor should it apply a regional study to reduce an individual jurisdiction's draft RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

2) The COVID-19 pandemic

While SCAG staff recognizes that COVID-19 presents unforeseen circumstances and that the region has been affected by significant unemployment, these facts, as presented by the City, do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04" (Government Code section 65584.05(b)(3)). Furthermore, section 65584.05(b) requires that,

"Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584."

While the City of Yorba Linda provides several anecdotes related to COVID-19's economic and social impacts, comparable data following this standard is not provided by the City.

SCAG's Regional Council delayed the adoption of the 2020 RTP/SCS by 120 days in order to assess the impact of COVID-19; however, the document's long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e., the SCAG's region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts

generally do not provide a basis for changes in the region's long-term competitiveness or the region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Yorba Linda does not provide evidence suggesting that unemployment or potential job location changes reduce housing need in any way.

The City's contention that it no longer makes sense to have a housing plan which focuses growth around jobs and commute patterns, offered without evidence related to anticipated future work-from-home rates, would represent a change to the RHNA methodology which cannot be considered by the Appeals Board.

While Yorba Linda asserts that 8,400 anticipated layoffs at Disneyland in nearby Anaheim may reduce the number of nearby jobs, the City does not elaborate as to if and how this would impact the 1,469,000 jobs accessible to Yorba Linda residents in 2045 or the City's 0.38% share of housing need based on job accessibility, both per the Final RHNA Methodology. Any such employment location data and the housing needs assigned thereupon would need to be reassessed for all jurisdictions in the SCAG region per the statutory standard described above. Yorba Linda has not provided such information. As aforementioned, long-range job losses are not anticipated and even this claim of anticipated layoffs would not indicate that Yorba Linda or the surrounding area are the only areas impacted by layoffs. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's RHNA allocation based on this factor.

3) DAC redistribution related to the City of Santa Ana

Specific issues related to Santa Ana which have also been included as a part of Yorba Linda's appeal of Santa Ana's draft RHNA allocation are addressed in the appeals on Santa Ana's draft RHNA allocation.

Other: Regional Determination

Yorba Linda contends that HCD's regional housing needs determination of 1.34 million units violates State law.

SCAG Staff Response:

SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. As discussed above, the regional determination is not an eligible basis for appeal per adopted RHNA Appeals Procedures, and it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination.

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. Following SCAG's formal objection filed on September 18, 2019, HCD did not materially change the regional determination following SCAG's formal objection filed on September 18, 2019, and there are no further mechanisms provided for in statute to contest their decision.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Methodology (City of Yorba Linda)
2. Yorba Linda Appeal and Supporting Documentation
3. Yorba Linda Submitted Replacement Need Survey
4. Map of Job Accessibility in the City of Yorba Linda (2045)
5. HCD Review of SCAG Draft RHNA Methodology (Jan 13, 2020)
6. Comments Received during the Comment Period

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Yorba Linda had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Yorba Linda's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁸ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁹ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the City of Yorba Linda, the anticipated number of households in 2020 was 23,130 and in 2030 was 23,170 (growth of 40 households). In March 2018, SCAG staff and CDR staff met with

⁸ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁹ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

staff from the City of Yorba Linda to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Yorba Linda submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmDM.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the City of Yorba Linda and incorporated them into the Growth Vision in December 2019. As such, the City of Yorba Linda's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d).)

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be

used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.¹⁰ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

¹⁰ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the City of Yorba Linda

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Yorba Linda received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Yorba Linda as summarized in the data and calculations in the tables below.

Yorba Linda city statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	33
Percent of households who are renting:	17%
Housing unit loss from demolition (2009-18):	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	207
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	14.62%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,469,000
Share of region's job accessibility (population weighted):	0.38%
Jurisdiction's HQT population (2045):	-
Share of region's HQT population (2045):	0.00%
Share of population in low/very low-resource tracts:	0.00%
Share of population in very high-resource tracts:	13.77%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Yorba Linda city	
Forecasted household (HH) growth, RHNA period:	33
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	1
Replacement Need	-
TOTAL PROJECTED NEED:	34
Existing need due to job accessibility (50%)	1583
Existing need due to HQTAs pop. share (50%)	0
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	793
TOTAL EXISTING NEED	2376
TOTAL RHNA FOR YORBA LINDA CITY	2411
Very-low income (<50% of AMI)	763
Low income (50-80% of AMI)	450
Moderate income (80-120% of AMI)	457
Above moderate income (>120% of AMI)	741

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 0 living within HQTAs, the City of Yorba Linda represents 0.00% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different

jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the City of Yorba Linda’s median TAZ, it will be possible to reach 14.62% of the region’s jobs in 2045 within a 30-minute automobile commute (1,469,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 793 units assigned to the City of Yorba Linda.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: COUNTY OF ORANGE (UNINCORPORATED AREAS)

Hearing Date: January 22, 2021

The County of Orange has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the County’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(l) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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.” (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction’s share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures (“Appeals Procedures”) on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG’s website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The County's Appeal

The County of Orange submits an appeal and requests a RHNA reduction of 4,922 units (of its draft allocation of 10,381 units). The grounds for appeal are as follows:

1. Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) – consistency of growth projections with the Connect SoCal Plan and use of a benchmark.
2. Availability of land suitable for urban development or for conversion to residential use - 23% of its land is open space and is protected from development and entitlement of Ranch Planned community limits use of some County land.
3. Sewer or water infrastructure constraints for additional development – restrictions on allowable density in areas that are more than 200 feet from a public sewer line.
4. Lands protected from urban development under existing federal or state programs – restrictions on preserved and/or protected open space.
5. Changed circumstances – annexations.

B. [Appeal Board Hearing and Review](#)

The County's appeal was heard by the RHNA Appeals Board on January 22, 2021, at a noticed public hearing. The County, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the County's appeal. That report provided the background for the draft RHNA allocation to the County and assessed the County's bases for appeal. The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The County's staff report including

Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph012221fullagn.pdf?1610771065>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

C. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the County, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal on the bases set forth in the staff report which are summarized as follows:

1) Regarding application of the adopted Final RHNA Methodology, the County's assertion on the incorrect application of methodology does not take into account that RHNA need represents both projected need and existing need.

2) and 4) Regarding availability of land suitable for urban development or for conversion to residential use and lands protected from urban development under existing federal or state programs, the County does not provide evidence that it cannot accommodate housing using other considerations besides vacant and protected lands such as underutilized land, opportunities for infill development, and increased residential densities to accommodate need.

3) Regarding sewer or water infrastructure constraints for additional development, no evidence was provided that the City could not accommodate its need in areas that did not have constraints.

5) Regarding change in circumstances, the County's assertions regarding past, current, and future annexations do not warrant a reduction due to the application of Government Code 65584.07.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby denies the County's appeal and finds that the County's RHNA allocation is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 22, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the County of Orange
(Unincorporated Areas)

RECOMMENDED ACTION:

Deny the appeal filed by the County of Orange to reduce the draft RHNA allocation for the County of Orange (unincorporated areas) by 4,922 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The County of Orange (unincorporated areas) requests a reduction of its RHNA allocation 4,922 units (from 10,381 units to 5,459 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Availability of land suitable for urban development or for conversion to residential use
- 3) Sewer or water infrastructure constraints for additional development
- 4) Lands protected from urban development under existing federal or state programs
- 5) Changed circumstances

RATIONALE FOR STAFF RECOMMENDATION:

Staff have reviewed the appeal(s) and recommend no change to the County of Orange's RHNA allocation. Regarding Issue 1, the City's assertion on the incorrect application of methodology does not take into account that RHNA need represents both projected need and existing need. Regarding Issue 2, the availability of land was not demonstrated to be an impediment to meeting the County of Orange's RHNA allocation since it does not consider the possibility of allowing housing on other areas in the jurisdiction. Regarding Issue 3, sewer capacity, no evidence was provided that the City could not accommodate its need in areas that did not have constraints. Regarding Issue 5, change in circumstance, the County's assertions regarding past, current, and future annexations does not

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the County of Orange (Unincorporated Areas) (Final Determination of Appeals Decisions)

warrant a reduction due to the application of Government Code 65584.07.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the County of Orange: 10,381 units
 Very Low Income: 3,131 units
 Low Income: 1,862 units
 Moderate Income: 2,035 units
 Above Moderate Income: 3,353 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

One comment was received from a local jurisdiction during the 45-day public comment period described in Government Code section 65584.05(c):

- The City of Yorba Linda submitted a comment on December 9, 2020, specifically related to the development of residential units on land it has annexed from the County of Orange and the request that if an appeal is granted to the County based on this, that the units be redistributed back to the region or at least limited to above moderate income levels if allocated to the City.

In addition, three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.

- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code section 65584.05 (b)(2)].***

The County indicates in its appeal allocation several factors relating to the application of the RHNA Methodology to determine its Draft RHNA Allocation. These include the assertions that the methodology fails to consider growth projections consistent with the Connect SoCal Plan and that the methodology incorrectly uses national averages as a benchmark. The County asserts that neither SCAG's Growth Forecast nor its Connect SoCal Plan was applied to generate the Regional Housing Needs Determination, implying that the resulting RHNA allocation for the County of Orange is inconsistent with the Growth Forecast used in Connect SoCal. It suggests that the 8-year Growth Forecast projection for the County is consistent with the allocation they are requesting.

SCAG Staff Response: As described above and in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally-reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives¹ in large part due to its use of objective factors and as such cannot consider factors differently in one jurisdiction versus another. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

¹ The objectives are: (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. (Govt. Code § 65584(d).)

SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make changes to the regional determination.

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. HCD did not materially change the regional determination following SCAG's formal objection filed on September 18, 2019, and there are no further mechanisms provided for in statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process—namely the adoption of a Final RHNA Methodology, conducting an appeals process, and issuing final RHNA allocations.

Additionally, the RHNA allocation is a representation of a jurisdiction's projected and *existing* housing need. SCAG's Growth Forecast was used as the basis for determining a jurisdiction's projected housing need, but it does not represent existing housing need. While the County asserts that its requested reduction is aligned with projected need, it does not take into account existing need that the RHNA allocation is required to encompass.

Because this appeal factor is limited to the application of the RHNA Methodology, not the regional determination process, and a jurisdiction's RHNA Allocation is not solely a representation of projected need, SCAG staff does not recommend a reduction of the Draft RHNA Allocation based on this factor.

Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code section 65584.04(e)(2)(B)].

The County of Orange indicates in its appeal that 23% of its land is open space and is protected from development. Based on this assertion, it requests a 23% reduction, or 2,388 units, from its draft RHNA allocation.

In addition, the County indicates that it has an entitlement controlled by development agreements, namely the Ranch Plan Planned Community. The development agreement is dated from 2004 and cannot be amended for additional housing units by the county since the settlement agreement limits the number of development units. The settlement agreement also dedicates 8.6% of unincorporated County of Orange land as open space, which cannot be used for residential uses. Due to this reason, the County requests an additional 8.6% reduction, or 892 units, from its draft RHNA allocation.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

Furthermore, on June 10, 2020, HCD released extensive guidelines for housing element site inventories.² A wide range of adequate sites are detailed including accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs).³ Specifically, the guidelines indicate that (page 32):

“In consultation with HCD, other alternatives may be considered such as motel conversions, adaptive reuse of existing buildings, or legalization of units not previously reported to the Department of Finance.”

As such, the County can and must consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the County’s projected growth.

The County has only provided information on certain areas of its jurisdiction and does not demonstrate that it cannot accommodate its assigned need elsewhere in the County. Again, SCAG is prohibited from limiting the consideration of suitable sites due to the County’s land use restrictions and is required to review alternative methods to meet housing need, neither of which is provided in the appeal application. For this reason, SCAG staff does not recommend a reduction to the County of Orange’s Draft RHNA Allocation based on this factor.

² See https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

³ See also Accessory Dwelling Unit Handbook, HCD, September 2020 at <https://www.hcd.ca.gov/policy-research/docs/adu-ta-handbook-final.pdf>

Issue 3: Sewer or water infrastructure constraints for additional development [Government Code section 65584.04(e)(2)(A)].

The County of Orange indicates in its appeal that SCAG did not take into consideration septic capacity within certain areas. Based on the California State Water Resources Control Board Policy Guidelines Onsite Wastewater Treatment Systems (OWTS) policy guidelines, the County is restricted to an allowable density of no more than 1 dwelling unit per 2 acres in areas that are more than 200 feet from a public sewer line. The application states that there are 459 residential parcels with this density limitation and thus the County is requesting that 459 units be deducted from its draft RHNA allocation.

SCAG Staff Response: SCAG staff does not dispute the density restrictions described by the County in its appeal. However, the submitted appeal does not indicate that these parcels have collectively reached a 459 unit capacity and their current availability, nor does it explain why the extension of the sewer system is infeasible. In addition, there is no explanation as to why the reduction request is a 1:1 ratio for its capacity on these particular parcels. The fact that there is a density cap on certain parcels does not negate housing need nor its amount, and the County has not demonstrated that it cannot accommodate this need elsewhere in its jurisdiction.

For these reasons, SCAG staff does not recommend a reduction to the County's Draft RHNA Allocation based on this factor.

Issue 4: Changed circumstances [Government Code section 65584.05(b)].

The County indicates in its appeal that due to prior, ongoing, and future annexations, it requests a reduction in its RHNA allocation. It argues that because "recent annexations and mutually agreed upon transfer agreements were not addressed by SCAG in the 6th Cycle Final RHNA Methodology", there was a "violation" in determining its Draft RHNA Allocation.

First, the County asserts that since 2014 it has had a decrease in 9.5% of acreage within its jurisdiction. To account for any future annexations, it requests a reduction of 9.5% to its Draft RHNA Allocation.

Second, the County writes that October 2019, the City of Yorba Linda and the County entered into a cooperative agreement that allows for the County to complete planning approvals for development after annexation of an 80-unit residential subdivision. The County is requesting an 80 unit reduction since it is currently reviewing the grading permits for the development.

Lastly, the County states that in November 2019, the City of Santa Ana completed a 25-acre annexation with the County. In its 5th housing element update, the County indicated that the

annexed parcels had a development potential of 117 residential units. For this reason, they are requesting a reduction of 117 units.

SCAG Staff Response: While an annexation may change a boundary of two jurisdictions, it does not automatically translate into a change in RHNA allocation. Government Code Section 65584.07(d)(1) prescribes a process that a County and annexing city must follow when an annexation occurs. During an annexation, a county and city may reach a mutually acceptable agreement to transfer RHNA units from the county to the city. This agreement is effective immediately upon receipt by SCAG. If the two parties cannot reach an agreement, one of them may request that SCAG consider data and other information presented by both parties and make a determination for the transfer from county to city. In either case, within 90 days of annexation the transfer of units or request for a determination must be submitted to SCAG. The transfer must also follow the adopted RHNA Methodology.

The first request of a pre-emptive 9.5% reduction does not constitute a significant and unforeseen change in circumstance because not only are annexations not unforeseen, they are also covered under a specific statute. Any future transfer agreements between the County and a city will be governed by the process outlined in State law and the County can receive a reduction during that particular annexation process. A pre-emptive reduction could potentially result in a redundant reduction for the County and is thus not recommended.

In regard to the Cielo Vista agreement with Yorba Linda, SCAG has not received a mutually acceptable agreement to transfer units from the County to City and there has not been any evidence provided in the appeal that indicates this is a finalized annexation. A pre-annexation agreement from October 2019 is included with the appeal, but it indicates that the agreement will not become effective until all parties have approved the agreement (page 259) and no documentation has been provided to support this. Additionally, the County explicitly states in its appeal that it is still allowed to complete planning approvals for development and is currently reviewing grading permits, which implies that the County still has permitting authority for this area. Because no change in circumstance has occurred, SCAG staff does not recommend a reduction based on this future annexation.

In regard to the annexation of land by the City of Santa Ana, the County has provided evidence that this annexation occurred in November 2019. However, there is no evidence of a mutually agreed upon transfer of RHNA units. While the County asserts that its 5th housing element listed a potential 117 units for this area, there is no evidence that this calculation was agreed to by the annexing city then or now. Currently the permitting authority for this area is the City of Santa Ana, but no documentation has been provided in this application that the City supports this calculation. Because no agreement of RHNA transfer was submitted as a result of this annexation, nor is there evidence



to support this calculation from the current permitting authority, SCAG staff does not recommend a reduction based on this factor.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Allocation (County of Orange)
2. Appeal Form and Supporting Documentation (County of Orange)
3. Comments Received During the Comment Period (General)
4. Comment Received During the Comment Period (City of Yorba Linda)

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the County of Orange had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the County of Orange's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.⁴ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.⁵ While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

Forecasts for jurisdictions in Orange County were developed through the 2018 Orange County Projections (OCP-2018) update process conducted by the Center for Demographic Research (CDR) at Cal State Fullerton. Jurisdictions were informed of this arrangement by SCAG at the kickoff of the Process. For the County of Orange, the anticipated number of households in 2020 was 42,659 and in 2030 was 49,018 (growth of 6,359 households). In March 2018, SCAG staff and CDR staff met

⁴ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

⁵ A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>.

with staff from the County of Orange to discuss the Bottom-Up Local Input and Envisioning Process and answer questions.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The County of Orange submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG received additional technical corrections from the County of Orange and incorporated them into the Growth Vision in December 2019. The County of Orange's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d).)

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.⁶ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

⁶ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903connectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the County of Orange

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the County of Orange received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the County of Orange as summarized in the data and calculations in the tables below.

Unincorporated Orange Co. statistics and inputs:	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	5246
Percent of households who are renting:	22%
Housing unit loss from demolition (2009-18):	42
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	14,452
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	9.02%
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	906,000
Share of region's job accessibility (population weighted):	0.60%
Jurisdiction's HQTAs population (2045):	19,755
Share of region's HQTAs population (2045):	0.19%
Share of population in low/very low-resource tracts:	8.69%
Share of population in very high-resource tracts:	48.26%
Social equity adjustment:	150%

Calculation of Draft RHNA Allocation for Unincorporated Orange Co.	
Forecasted household (HH) growth, RHNA period:	5246
Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	119
Replacement Need	42
TOTAL PROJECTED NEED:	5407
Existing need due to job accessibility (50%)	2506
Existing need due to HQTAs pop. share (50%)	808
Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	1660
TOTAL EXISTING NEED	4974
TOTAL RHNA FOR UNINCORPORATED ORANGE CO.	10381
Very-low income (<50% of AMI)	3131
Low income (50-80% of AMI)	1862
Moderate income (80-120% of AMI)	2035
Above moderate income (>120% of AMI)	3353

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 19,755 living within HQTAs, the County of Orange represents 0.19% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the County of Orange’s median TAZ, it will be possible to reach 9.02% of the region’s jobs in 2045 within a 30-minute automobile commute (906,000 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 1,660 units assigned to the County of Orange.

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL HOUSING NEEDS ASSESSMENT APPEALS BOARD**

APPEALS DETERMINATION: COUNTY OF RIVERSIDE (UNINCORPORATED)

Hearing Date: January 6, 2021

The County of Riverside (Unincorporated) has appealed its draft Regional Housing Needs Assessment (“RHNA”) allocation. The following constitutes the decision of the Southern California Association of Governments’ RHNA Appeals Board regarding the County’s appeal.

I. Statutory Background

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.* (the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need

for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs. (Govt. Code § 65581).

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Govt. Code § 65300). A general plan consists of many planning elements, including an element for housing (See Govt. Code § 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. [RHNA Determination by HCD](#)

Pursuant to Section 65584(a), each cycle of the RHNA process begins with the California Department of Housing and Community Development’s (HCD) determination of the existing and projected housing need for each region in the state. HCD’s determination must be based on “population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” (Govt. Code § 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Prior to developing the existing and projected housing need for a region, HCD “shall meet and consult with the council of governments regarding the assumptions and methodology to be used by HCD to determine the region’s housing needs,” and “the council of governments shall provide data assumptions from the council’s projections, including, if available, the following data for the region:

- “(A) Anticipated household growth associated with projected population increases.
- (B) Household size data and trends in household size.
- (C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:
 - (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
 - (ii) The term “overcrowded rate for a comparable housing market” means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.
- (D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.
- (E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.
- (F) Other characteristics of the composition of the projected population.
- (G) The relationship between jobs and housing, including any imbalance between jobs and housing.
- (H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:
 - (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
 - (ii) The term “rate of housing cost burden for a healthy housing market” means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(l) 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 data request.” (Govt. Code § 65584.01(b)(1)).

Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These factors reflect additional latent housing need in the current population (i.e., “existing need”).

HCD may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. (Govt. Code § 65584.01(b)(2)). After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed above and the methodology it shall use, and HCD shall provide these determinations to the council of governments. (Id.)

After consultation with the council of governments, HCD shall make a determination of the region’s existing and projected housing need which “shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan.” (Govt. Code § 65584.01(c)(1)). Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD’s failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). (See Govt. Code § 65584.01(c)(2)). Within 45 days of receiving the council of governments objection, HCD must “make a final written determination of the region’s existing and projected housing need that includes an explanation of the information upon which the determination was made.” (Govt. Code § 65584.01(c)(3)).

B. [Development of RHNA Methodology](#)

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following 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.” (Govt. Code § 65584(d)).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

“(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on 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.

(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 nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.

(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.

(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.

(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.

(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.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(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.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.

(11) 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.

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

(13) 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." (Govt. Code § 65584.04(e)).

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Govt. Code § 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins (See Govt. Code § 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle. (Govt. Code § 65584.04(g)).

Finally, Section 65584.04(m) requires that the final RHNA Allocation Plan “allocate[s] housing units within the region consistent with the development pattern included in the sustainable communities strategy,” ensures that the total regional housing need by income category is maintained, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d). (See Govt. Code § 65584.04(m)).

C. [Public Participation](#)

Section 65584.04(d) provides that “public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs.” The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how the information from the local survey used to develop the methodology, how local planning factors were and incorporated into the methodology, and how the proposed methodology furthers the RHNA objectives in Section 65584(e), must be distributed to the cities, counties, and subregions, and members of the public requesting the information and published on the council of government’s website. (Govt. Code § 65584.04(d) and (f)).

The council of governments is required to open the proposed methodology to public comment and “conduct at least one public hearing to receive oral and written comments on the proposed methodology.” (Govt. Code § 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Govt. Code § 65584.04(h)).

D. [HCD Review of Methodology and Adoption by Council of Governments](#)

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to “whether the methodology furthers the objectives listed in subdivision (d) of Section 65584.” (Govt. Code § 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions “and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the

objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD].” (Govt. Code § 65584.04(i)). Upon adoption of the final methodology, the council of governments “shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.” (Govt. Code § 65584.04(k)).

E. [RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan](#)

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD and shall publish the draft allocation on its website. (See Govt. Code § 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Govt. Code § 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Govt. Code § 65584.04(m)(3)).

F. [The Appeals Process](#)

Within 45 days of following receipt of the draft allocation, a local government or HCD may appeal to the council of governments for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. (See Govt. Code § 65584.05(b)).

“Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section

65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.” (Govt. Code § 65584.05(b)).

At the close of the filing period for filing appeals, the council of governments shall notify all other local governments within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website. (See Govt. Code § 65584.05(c)). Local governments and the department may, within 45 days, comment on one or more appeals. (Id.).

No later than 30 days after the close of the comment period, and after providing local governments within the region at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed . . . and all comments received” (Govt. Code § 65584.05(d)). No later than 45 days after the public hearing, the council of governments shall (1) make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to Section 65584.05(b); and (2) issue a proposed final allocation plan. (Govt. Code § 65584.05(e)). “The final determination on an appeal may require the council of governments . . . to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.” (Id.).

Pursuant to Section 65584.05(f), if the council of governments lowers any jurisdiction’s allocation of housing units as a result of its appeal, and this adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those units proportionally to all local governments in the region. (See Govt. Code § 65584.05(f)). In no event shall the total distribution of housing need equal less than the regional housing need as determined by HCD. (Id.).

Within 45 days after issuance of the proposed final allocation plan by the council of governments, the council of governments shall hold a public hearing to adopt a final allocation plan. (Govt. Code § 65584.05(g)). “To the extent that the final allocation plan fully allocates the regional share of statewide housing need . . . and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need.” (Id.) The council of governments shall submit its final allocation plan to HCD within three days of adoption. Within 30 days after HCD’s receipt of the final allocation plan adopted by the council of

governments, HCD “shall determine if the final allocation plan is consistent with the existing and projected housing need for the region,” and it “may revise the determination of the council of governments if necessary to obtain this consistency.” (Id.).

II. Development of the RHNA Process for the Six-County Region Covered by the SCAG Council of Governments (Sixth Cycle)

A. Development of the Draft RHNA Allocation Plan¹

As described in Attachment 1 to the staff reports for each appeal, the Sixth Cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast which would be used for all regional planning efforts including the Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS” or “Connect SoCal”).² On or about December 6, 2017, SCAG sent a letter to all jurisdictions requesting input on the Connect SoCal growth forecast. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the “AB 2158 factor survey”), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology.

Beginning in October 2018, the RHNA Subcommittee, a subcommittee formed by the Community, Economic and Human Development (“CEHD”) Committee to provide policy guidance in the development of the RHNA Allocation Methodology, held regular monthly meetings to discuss the RHNA process, policies, and methodology, to provide recommended actions to the CEHD Committee. All jurisdictions and interested parties were notified of upcoming meetings to encourage active participation in the process.

¹ The information discussed in this section has been made publicly available during the RHNA process and may be accessed at the SCAG RHNA website: <https://scag.ca.gov/rhna>.

² Information regarding Connect SoCal is available at: <http://rtpscs.scag.ca.gov/Pages/Regional-Housing-Needs-Assessment.aspx/index.htm>.

On or about June 20, 2019, SCAG submitted a consultation package for the 6th Cycle RHNA to HCD.³ On or about August 22, 2019, SCAG received its RHNA determination from HCD.⁴ HCD determined a minimum regional housing need determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029.

On or about September 18, 2019, SCAG submitted its objection to HCD's RHNA determination.⁵ SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units.

On or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA determination of a minimum of **1,341,827** total units among four income categories.⁶ HCD noted that its methodology

“establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have a potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.”

Meanwhile, the RHNA Subcommittee began to develop the proposed RHNA Methodology that would be further developed into the Draft RHNA Methodology. On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included

³ See https://scag.ca.gov/sites/main/files/file-attachments/cehd_fullagn_060619.pdf?1603863793

⁴ See https://scag.ca.gov/sites/main/files/file-attachments/6thcyclerrhna_scagdetermination_08222019.pdf?1602190292

⁵ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-objection-letter-rhna-regional-determination.pdf?1602190274>

⁶ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-scag-rhna-final-determination-101519.pdf?1602190258>

four public hearings to collect verbal and written comments held on August 15, 20, 22, and 27, 2019 and a public information session held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2021 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA.⁷ On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology.⁸

Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

III. The Appeal Process

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020).⁹ The Appeals Procedures sets forth existing law and the

⁷ See <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>

⁸ See <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>

procedures and bases for an appeal. The Appeals Procedure was provided to all jurisdictions and posted on SCAG's website. Consistent with the RHNA statute, the Appeals Procedures sets forth three grounds for appeal:

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d);
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH)¹⁰ – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5); and
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred. (Appeals Procedure at pp. 2-4).

The Regional Council delegated authority to the RHNA Subcommittee to review and to make final decisions on RHNA revision requests and appeals pursuant to the RHNA Subcommittee Charter, which was approved by the Regional Council on February 7, 2019. As such, the RHNA Subcommittee has been designated the RHNA Appeals Board. The RHNA Appeals Board is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region, and each county is entitled to one vote.

The period to file appeals commenced on September 11, 2020. Local jurisdictions were permitted to file revision requests until October 26, 2020. SCAG posted all appeals on its website at: <https://scag.ca.gov/rhna-appeals-filed>. Fifty-two (52) timely appeals were filed; however, two jurisdictions (West Hollywood and Calipatria) withdrew their appeals. Four jurisdictions (Irvine, Yorba Linda, Garden Grove, and Newport Beach) filed appeals of their own allocations as well as appeals of the City of Santa Ana's allocation. Pursuant to Section 65584.05(c), HCD and several local jurisdictions submitted comments on one or more appeals by December 10, 2020.

⁹ See <https://scag.ca.gov/sites/main/files/file-attachments/rhna-adopted-appeals-procedures090320.pdf?1602188788>

¹⁰ In addition to the local planning factors set forth in Section 65584.04(e), AFFH information was included in the survey to facilitate development of the RHNA methodology pursuant to Section 65584.04(b).

The public hearing for the appeals occurred over the course of several weeks on January 6, 8, 11, 13, 15, 19, 22, and 25, 2021. Public comments received during the RHNA process were continually logged and posted on the SCAG website at <https://scag.ca.gov/rhna-comments>.

IV. The County’s Appeal

The County of Riverside (unincorporated) submits an appeal and requests an unspecified RHNA reduction of units (of its draft allocation of 40,768 units). The grounds for appeal are as follows:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029) –
 - a. Dissimilar growth as compared to the County of San Bernardino (unincorporated) which has 80% fewer units.
 - b. Projected growth from March Joint Powers Authority (JPA); the County has no land use authority over the JPA area where 215 units are projected during the 6th Cycle RHNA period.
- 2) Sewer or water infrastructure constraints for additional development – unincorporated areas are mostly rural in character and lack sewer and water infrastructure and adding such infrastructure for development. In addition, development could cause additional strain on the already over-burdened existing infrastructure.
- 3) Availability of land for urban development or conversion to residential use – the County claims its allocation is out of proportion to its ability to provide urban-scale development.
- 4) Lands protected from urban development under existing federal or state programs – the County’ claims its allocation is out of proportion to its ability to provide urban-scale development.
- 5) High housing cost burdens – significant costs to connect to sewer and/or water infrastructure and expansion of roads.
- 6) The region’s greenhouse gas emissions targets – the County indicates that it already has challenges meeting its greenhouse gas emission reduction targets identified in its Climate Action Plan and adding housing units would make it even harder.
- 7) Changed circumstances – no specific reason provided.

A. Appeal Board Hearing and Review

The County’s appeal was heard by the RHNA Appeals Board on January 6, 2021, at a noticed public hearing. The County, HCD, other local jurisdictions, and the public were afforded an opportunity to submit comments related to the appeal, and SCAG staff presented its recommendation to the Appeals Board. SCAG staff prepared a report in response to the County’s appeal. That report provided the background for the draft RHNA allocation to the County and assessed the County’s bases for appeal.

The Appeals Board considered the staff report along with the submitted documents, testimony of those providing comments prior to the close of the hearing and comments made by SCAG staff prior to the close of the hearing, which are incorporated herein by reference. The County's staff report including Attachment 1 to the report is attached hereto as Exhibit A¹¹ (other attachments to the staff report may be found in the agenda materials at: <https://scag.ca.gov/sites/main/files/file-attachments/rhna-abph010621fullagn.pdf?1609379165>). Video of each hearing is available at: <https://scag.ca.gov/rhna-subcommittee>.

B. Appeals Board's Decision

Based upon SCAG's adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the County, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby denies the appeal with respect to the issues listed below on the bases set forth in the staff report for the following factors summarized as follows:

- 1) Regarding application of the Final RHNA Methodology –
 - a. Comparison to San Bernardino County RHNA allocation.; while the County of Riverside claims that it has a high degree of similarity with San Bernardino, it has not provided any evidence prior to the close of the public hearing as to how the application of the RHNA methodology would render a different draft RHNA allocation for either jurisdiction from what was determined. A comparison of the RHNA allocations of two jurisdictions based on factors outside of the Final RHNA Methodology is not a grantable appeal under the application of the Final RHNA Methodology.
- 2) Regarding sewer and water infrastructure, the County did not provide evidence prior to the close of the public hearing that existing law and regulations prevent, or any sewer or water provider has rendered a decision that would prevent, the jurisdiction from providing necessary infrastructure. In addition, costs to upgrade and develop appropriate water and sewage infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA allocation only requires a jurisdiction to plan and zone for its determined housing need.

¹¹ Note that since the staff reports were published in the agenda packets, SCAG updated its website, and therefore, weblinks in the attached staff report and Attachment 1 have also been updated.

3), 4), and 5) The County does not provide sufficient evidence to support its arguments that it cannot accommodate its draft RHNA allocation due to availability of land, lands protected from urban development under existing federal or state programs, high housing cost burdens, and its greenhouse gas emission targets. Further, the high housing cost burden factor relates to the percentage of households paying more than 30% of their income in rent and does not refer to the cost of development. In addition, a Climate Action Plan is an important local policy instrument, but it cannot be used to reduce a RHNA allocation. Further, the purpose of Climate Action Plans are to align with regional greenhouse gas emission targets, which cannot be achieved solely within jurisdictional boundaries.

7) No argument or evidence was provided prior to the close of the public hearing to support a reduction based on changed circumstances.

Based upon SCAG’s adoption of the Final RHNA Methodology and the Connect SoCal growth forecast, the RHNA Appeals Procedure and the process that led thereto, all testimony and all documents and comments submitted by the County, HCD, other local jurisdictions, and the public prior to the close of the hearing, and the SCAG staff report, the RHNA Appeals Board hereby partially grants the appeal only with respect to the issue noted below, on the bases set forth in the staff report for the following factor summarized as follows:

- 1) Regarding application of the Final RHNA methodology –
 - b. Projected growth from March Joint Powers Authority (JPA); the County has no land use authority over the JPA area where 215 units are projected during the 6th Cycle RHNA period.

As reflected in the record, the March JPA has its own land use authority that is outside the County’s jurisdiction and conducts its own permitting process for residential activity. The County of Riverside does not receive “credit” toward meeting their RHNA allocation when residential permits are issued by March JPA because the County is not the body that issues the permits. This situation is similar to the inclusion of growth from Tribal Lands. Because Tribal Nations are sovereign nations and jurisdictions do not have permitting authority nor do they receive credit for Tribal Land residential activity, in SCAG’s 6th cycle final RHNA methodology, growth from Tribal Lands are not assigned to any particular jurisdiction and are instead included in the regional household figures.

Therefore, it is appropriate and consistent with the SCAG Final RHNA Methodology to reduce the County’s draft RHNA allocation by the allocation resulting from the projected growth of the March

JPA, i.e., 215 units, and redistribute these units to the region. This reduction furthers the objectives of Government Code Section 65584(d) as it is compliant with the adopted Final RHNA Methodology, which was found by HCD to further those objectives.

V. Conclusion

For the foregoing reasons and based on the full record before the RHNA Appeals Board at the close of the public hearing (which the Board has taken into consideration in rendering its decision and conclusion), the RHNA Appeals Board hereby partially denies and partially grants the County's appeal and finds that the County's revised RHNA allocation (reduction of 215 units) is consistent with the RHNA statute pursuant to Section 65584.05 (e)(1) as it was developed using SCAG's Final RHNA Methodology which was found by HCD to further the objectives set forth in Section 65584(d).

Reviewed and approved by RHNA Appeals Board this 16th day of February 2021.



Southern California Association of Governments
Remote Participation Only
January 6, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Appeal of the Draft Allocation for the County of Riverside
(Unincorporated)

RECOMMENDED ACTION:

Partially approve the appeal filed by the County of Riverside to reduce the draft RHNA allocation for the County of Riverside (unincorporated areas) by 215 units, for a total draft RHNA allocation of 40,553 units.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

SUMMARY OF APPEAL(S):

The County of Riverside requests an unspecified reduction of its RHNA allocation of 40,768 residential units based on the following seven issues:

- 1) Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021 – 2029)
- 2) Sewer or water infrastructure constraints for additional development
- 3) Availability of land for urban development or conversion to residential use
- 4) Lands protected from urban development under existing federal or state programs
- 5) High housing cost burdens
- 6) The region's greenhouse gas emissions targets
- 7) Changed circumstances

The County of Riverside requests a reduction of its RHNA allocation but does not specify the number of units for reduction.

RATIONALE FOR STAFF RECOMMENDATION:

SCAG Staff has reviewed the appeal and recommends a reduction of 215 units to the County of Riverside's RHNA allocation. The application of the RHNA methodology inadvertently included

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Attachment: Determination Regarding Appeal from the County of Riverside (Unincorporated) (Final Determination of Appeals Decisions)

projected growth from March Joint Powers Authority. However, the County does not provide sufficient evidence to support its argument that it cannot accommodate its draft RHNA allocation due to sewer and water infrastructure capacity, availability of land, high housing cost burdens, and its greenhouse gas emission targets.

BACKGROUND:

Draft RHNA Allocation

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary is below.

Total RHNA for the County of Riverside (unincorporated areas): 40,768 units

Very Low Income: 10,399 units

Low Income: 6,648 units

Moderate Income: 7,371 units

Above Moderate Income: 16,350 units

Additional background related to the Draft RHNA Allocation is included in Attachment 1.

Summary of Comments Received during 45-day Comment Period

One comment was received from a local jurisdiction during the 45-day public comment period described in Government Code section 65584.05(c) which specifically addresses the appeal filed for the County of Riverside:

- The City of Corona objects to receiving any potential reallocation of the draft RHNA allocation based on appeals filed by the City of Hemet and the County of Riverside.

In addition, three such comments were received which relate to SCAG 6th cycle appeals generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals, but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and

their opposition to any action which would result in a transfer of additional units to Long Beach.

ANALYSIS:

Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029)
[Government Code Section 65584.05 (b)(1)].

The County indicates that it is appealing its draft RHNA allocation based on an incorrect application of the adopted Final RHNA Methodology. It alleges that the County of San Bernardino (unincorporated areas) is similar to the County of Riverside (unincorporated areas) in population, land availability, growth, infrastructure, nature, and other factors. The County of Riverside argues that because the County of San Bernardino has 80 percent fewer assigned draft RHNA units than the County of Riverside despite the similarities between the two jurisdictions, “SCAG has failed to apply the RHNA methodology consistently and must address this inconsistency.”

Additionally, the County of Riverside indicates that the previous versions of draft RHNA documents included data from the March Joint Powers Authority (JPA) with the data from the County. The County writes that March JPA is its own land use authority with its own General Plan. The appeal states that if the County was allocated any units belonging to March JPA, the RHNA methodology was applied inappropriately and that SCAG failed to determine the County’s share of RHNA allocation correctly.

SCAG Staff Response: The adopted Final RHNA Methodology considered several components to determine housing need, including factors such as job access and transit access, and applied this methodology consistently to all jurisdictions in the SCAG region. While the County of Riverside claims that it has a high degree of similarity with a nearby jurisdiction, it has not provided any evidence as to how the application of the RHNA methodology would render a different draft RHNA allocation for either jurisdiction from what was already determined. A comparison of the RHNA allocations of two jurisdictions based on factors outside of the adopted RHNA methodology is not a grantable appeal under the application of the Final RHNA methodology.

In regard to March JPA, the County’s assertion is correct in that March JPA has its own land use authority that is outside the County’s jurisdiction. The March JPA Planning Department manages its own General Plan and Development Code. March JPA also has its own housing element and conducts its own permitting process for residential activity. Because of this, the County of Riverside does not receive “credit” toward meeting their RHNA allocation when residential permits are issued by March JPA because they are not the body that issues the permits. This situation is similar to the inclusion of growth from Tribal Lands. Because Tribal Nations are sovereign nations and jurisdictions do not have permitting authority nor do they receive credit for Tribal Land residential activity, in

SCAG's 6th cycle final RHNA methodology growth from Tribal Lands are not assigned to any particular jurisdiction and are instead included in the regional household figures.

While a methodology component such as job access or transit access generated by March JPA would not have any impact on the County's RHNA allocation, projected household growth generated by March JPA that was included in the County's projected household growth would have an impact. SCAG's preliminary growth forecast indicated that March JPA has 750 households in 2020 and 1,010 households in 2030. Multiplying the growth over this period by 0.825 to reflect the 8.25 year 6th cycle RHNA projection period (the same approach taken to for projected need throughout the RHNA methodology) would indicate a total projected growth for March JPA of 215 units. ***Given that the County does not receive credit for March JPA residential activity yet the projected growth for the March JPA was included in the County's projected housing need, SCAG staff recommends that the County's projected housing need, and thus its draft RHNA allocation, be reduced by 215 units to ensure that the application of the RHNA methodology was fairly applied to the County.*** This is consistent with the application SCAG used for the inclusion of Tribal Land growth in the adopted RHNA methodology. The recommended reduction also meets the objectives of Government Code 65584(d) as it would be compliant with the adopted final RHNA methodology, which was found by HCD to further those objectives.

Issue 2: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].

The County of Riverside indicates in its appeal that the unincorporated areas of the County are mostly rural in nature. Any development that occurs within its jurisdiction has to pay for their own infrastructure. The County argues that these areas lack sewer and water systems to support "urban-type high-density housing that is needed to support a large allocation of units." It adds that adding its draft RHNA allocation in areas that lack basic infrastructure will cause "additional strain on the already over-burdened existing infrastructure" and on their existing facilities. The County also notes that they have relayed this information to SCAG "through countless opportunities" and that the RHNA allocation "still does not appear to incorporate such planning factors...therefore, SCAG failed to consider information provided within comments or during prior allocations."

SCAG Staff Response: Government Code Section 65584(e)(2)(A) indicates that, to the extent sufficient data is available, the following factor shall be included in developing the RHNA methodology:

“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).”

For this factor to apply, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the sewer and water constraints mentioned by the jurisdiction, it is not evident that any water provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. In addition, costs to upgrade and develop appropriate water and sewage infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA allocation only requires a jurisdiction to plan and zone for its determined housing need and is not required to actually develop the allocated units. For these reasons, SCAG staff does not recommend a housing need reduction based upon this planning factor.

Issues 3 and 4: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)] and lands protected from urban development under existing federal or state programs [Government Code Section 65584.04(e)(2)(C)].

The County of Riverside indicates in its appeal that its allocation is out of proportion to its ability to provide for urban-scale development. No other statements or evidence have been provided in support of these appeal factors.

SCAG Staff Response: Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “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” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(b), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through

means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the County can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the County’s projected growth.

Besides the statement that its allocation is “out of proportion to its ability to provide for urban-scale development”, no additional statements or evidence has been provided to support the County’s assertion that it cannot accommodate its allocated need.

Furthermore, it is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that these areas have changed since the most current input provided in May 2019.

While the County asserts that most of the unincorporated County is rural in nature, undeveloped agricultural land or open space, with much of the land in federal (including tribal) or state jurisdictions, no evidence has been provided that the jurisdiction cannot accommodate its RHNA allocation in other areas where residential development is most suitable. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere.

For the reasons, SCAG staff does not recommend a reduction to the jurisdiction’s RHNA allocation based on these factors.

Issue 5: High Housing Cost Burdens [Government Code 65584.04(e)(6)].

The County states in its appeal that projects incur significant costs to connect to sewer and/or water service miles away, or to expand inadequate roads. These costs make it extremely challenging to provide non-market rate housing in a fiscally achievable way.

SCAG staff response: Costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the purpose of a RHNA allocation is to ensure that there is enough zoning to accommodate a jurisdiction’s housing need. The high housing cost burden factor in Section 65584.04(e)(6) is described as: “[t]he 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,” which refers to the proportion of renter households who are considered cost-burdened for housing. It does not refer to

the cost of development. For this reason, SCAG staff does not recommend a reduction to the County's draft RHNA allocation based on this factor.

Issue 6: The region's greenhouse gas emissions targets [Government Code Section 65584.04(e)(12)].

The County indicates that it has recently updated its Climate Action Plan, but that it will already be challenged to meet 2030 and 2045 greenhouse gas (GHG) emission reduction targets. Adding to this challenge is having to absorb additional vehicle miles traveled to accommodate housing, which they state will likely be further from existing and planned job centers due to its large RHNA allocation.

SCAG staff response: SCAG staff recognizes the importance of a local Climate Action Plan, which can help a jurisdiction outline its sustainable goals and strategies to achieve them. However, the purpose of Climate Action Plans are to align with regional greenhouse gas emission targets, which cannot be achieved solely within jurisdictional boundaries.

Additionally, Government Code Section 65584.04(g)(1) prohibits "any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county" from being used as a justification for a determination or reduction in RHNA allocation. A Climate Action Plan is an important local policy instrument, but it cannot be used to reduce a RHNA allocation. For this reason, SCAG staff does not recommend a reduction to the County's draft RHNA allocation based on this factor.

Issue 7: Changed Circumstances [Government Code 65584.05(b)].

While the County has indicated in its appeal form that it is appealing its draft RHNA allocation based on this reason, there are no statements or evidence to assert or support this factor.

SCAG Staff Response: SCAG staff does not find any evidence that a change in circumstance has occurred in the County to support its request for a reduction based on this factor. No reduction is recommended based on change in circumstance.

Other

The County indicates in its letter that it undertook a major planning effort to update its Housing Element in order to meet its 5th cycle RHNA allocation of 30,303 units, which also included the rezoning of a large number of parcels and lands to higher densities. Its appeal also states that “to date, no developments have been approved or applied for that took advantage of the previous effort.” SCAG staff acknowledges the difficult task that the County has accomplished to meet its prior housing needs. SCAG also encourages the County to consider using these already zoned areas that are still presumably available to meet up to 75 percent of its 6th cycle RHNA allocation.

FISCAL IMPACT:

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Local Input and Development of Draft RHNA Methodology (County of Riverside)
2. County of Riverside Appeal Request Form and Supporting Documentation
3. Comments received during the comment period

Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the County of Riverside had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the County of Riverside's Draft RHNA Allocation.

1. Local input

a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6th cycle of RHNA.¹ Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.² While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the County of Riverside the anticipated number of households in 2020 was 123,829 and in 2030 was 169,922

¹ While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

² A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <https://scag.ca.gov/local-input-process-towns-cities-and-counties>

(growth of 46,093 households). In January 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input was received from the County of Riverside on the growth forecast in April 2019. Growth from Tribal Lands were excluded from the County of Riverside's household data used in the adopted RHNA methodology. Household totals were 121,523 in 2020 and 166,633 in 2030, for a reduced household growth during this period of 45,110.

b. RHNA Methodology Surveys

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The County of Riverside submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

c. Connect SoCal Growth Vision and Additional Refinements

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf?1603148961>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would

accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the County of Riverside from which differed from the Growth Vision.

2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6th cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

(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. (Govt. Code § 65584(d)).

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5th cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6th cycle RHNA methodology consists of two primary elements: "projected need" which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and "existing need," which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.³ Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQTA) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)

³ Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. "existing need") and does not affect a change in regional population. For further discussion see Connect SoCal Master Response 1 at https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf?1606001847.

- Job accessibility in 2045 (existing need)

The methodology is described in further detail at <https://scag.ca.gov/sites/main/files/file-attachments/scag-final-rhna-methodology-030520.pdf?1602189316>.

3. Draft RHNA Allocation for the County of Riverside

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120 day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the County of Riverside received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the County of Riverside as summarized in the data and calculations in the tables below.

Unincorporated Riverside Co. statistics:	
Forecasted household (HH) growth, RHNA period:	37216
Percent of households who are renting:	27%
Housing unit loss from demolition (2009-18):	126
Adj. forecasted household growth, 2020-2045:*	57,680
Pct. of regional jobs accessible in 30 mins (2045):**	2.15%
Share of region's job accessibility (pop-weighted):	0.41%
Share of region's HQT population (2045)	0.19%
Share of pop. in low/very low-resource tracts:	26.88%
Share of pop. In very high-resource tracts:	40.42%
Social equity adjustment:	150%

RHNA Allocation inputs for Unincorporated Riverside Co.	
Forecasted household (HH) growth, RHNA period:	37216
Vacancy Adjustment	908
Replacement Need	126
TOTAL PROJECTED NEED:	38250
Existing need due to job accessibility (50%)	1735
Existing need due to HQTAs pop. share (50%)	783
Net residual factor for existing need^	0
TOTAL EXISTING NEED	2518
TOTAL RHNA FOR UNINCORPORATED RIVERSIDE CO.	40768
Very-low income (<50% of AMI)	10399
Low income (50-80% of AMI)	6648
Moderate income (80-120% of AMI)	7371
Above moderate income (>120% of AMI)	16350

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 19,147 living within HQTAs, the County of Riverside represents 3.64% of the SCAG region’s HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units based on transit accessibility. From the County of Riverside’s median TAZ, it will be possible to reach 2.15% of the region’s jobs in 2045 within a 30-minute automobile commute (11,301 jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs).

Please note that the above represents only a partial description of key data and calculations which result in the draft RHNA allocation.



Southern California Association of Governments
Remote Participation Only
February 16, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Proposed Final 6th Cycle RHNA Allocation Plan

RECOMMENDED ACTION:

Review and recommend that the Community, Economic and Human Development (CEHD) Committee recommend that the Regional Council adopt the Final RHNA Allocation Plan as part of a public hearing to take place on March 4, 2021.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

Staff issues herein for the RHNA Subcommittee's review the Proposed Final Allocation Plan for the 6th cycle RHNA ("Proposed Final RHNA Plan"), which represents the projected housing need for each city and unincorporated county area in the SCAG region for the October 2021-October 2029 housing element planning period. The Proposed Final RHNA Plan was developed from the Draft RHNA Plan, distributed on September 11, 2020, and revised based upon the results of the appeals process that concluded on January 25, 2021, including the final determinations made by the RHNA Subcommittee. It is anticipated that the Proposed Final RHNA Plan will be presented to the Community, Economic and Human Development (CEHD) Committee on February 23, 2021, and thereafter, to the Regional Council on March 4, 2021 as part of a public hearing. Subsequent to the anticipated adoption of the Final RHNA Plan by the Regional Council, SCAG will submit the Final RHNA Plan to the California Department of Housing and Community Development (HCD) for approval.

BACKGROUND:

A. Summary of 6th cycle RHNA process

The California Legislature developed the RHNA process [Government Code Section 65580 *et seq.*

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

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(the “RHNA statute”)] in 1977 to address the serious affordable housing shortage in California. Over the years, the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality’s housing need for all income levels is essential to achieving the state’s housing goals and the purposes of this article. (Cal. Govt. code § 65580).

In accordance with the state law, SCAG has been engaged in the development of the 6th cycle RHNA Plan for the past few years. Specifically, the 6th cycle RHNA began in October 2017, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative process to develop the Integrated Growth Forecast, which would be used for all regional planning efforts including the 2020-2045 Connect SoCal Plan, or Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). These surveys continued through October 2018. During this time, SCAG staff engaged in extensive communication and data sharing with each jurisdiction in the SCAG region, including in-person meetings, to ensure the highest participation in gathering local input.

Beginning in October 2018, the RHNA Subcommittee held regular monthly meetings to discuss the RHNA process, policies, and methodology, and to provide recommended actions to the CEHD Committee. In August 2019, SCAG received its RHNA determination from HCD. HCD determined a range of housing need of 1,344,740 units for the SCAG region for the projection period between June 30, 2021 and October 15, 2029. In September 2019, SCAG formally objected to the regional determination, and after review and consideration HCD provided a final regional determination of

1,341,827 in October 2019. SCAG is required to maintain the regional total need throughout the RHNA process.

On July 22, 2019, the RHNA Subcommittee recommended the release of the proposed RHNA Allocation Methodology to the CEHD Committee. The CEHD Committee reviewed, discussed, and further recommended the proposed methodology to the Regional Council, which approved to release the proposed methodology for distribution on August 1, 2019. During the 30-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input. This included four public hearings to collect verbal and written comments, which were held on August 15, 20, 22, and 27, 2019, and a public information session, which was held on August 29, 2019.

On September 25, 2019, SCAG staff held a public workshop on a Draft RHNA Methodology that was developed as a result of the comments received on the proposed RHNA Methodology. On October 7, 2019, the RHNA Subcommittee voted to recommend the Draft RHNA Methodology, though a substitute motion that changed certain aspects of the Methodology as proposed by a RHNA Subcommittee member failed. On October 21, 2019, the CEHD Committee voted to further recommend the Draft RHNA Methodology recommended by the RHNA Subcommittee.

SCAG staff received several requests from SCAG Regional Councilmembers and Policy Committee members in late October and early November 2019 to consider and review an alternative RHNA Methodology that was based on the one proposed through a substitute motion at the October 7, 2019 RHNA Subcommittee meeting. The staff report of the recommended Draft Methodology and an analysis of the alternative Methodology were posted online on November 2, 2019. Both the recommended and alternative methodologies were presented by SCAG staff at the Regional Council on November 7, 2019. Following extensive debate and public comment, SCAG's Regional Council voted to approve the alternative methodology as the Draft RHNA Methodology and provide it to HCD for review.

On January 13, 2020, HCD found that the Draft RHNA Methodology furthers the five statutory objectives of RHNA. On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Following the adoption of the Final RHNA Methodology, the Regional Council decided to delay full adoption of Connect SoCal for 120 days in order to assess the impacts of the COVID-19 pandemic on the Connect SoCal growth forecast. SCAG adopted Connect SoCal on September 3, 2020, including its growth forecast. SCAG released its Draft RHNA allocations to local jurisdictions on or about September 11, 2020.

The Regional Council adopted the 6th Cycle Appeals Procedures ("Appeals Procedures") on May 7, 2020 (updated September 3, 2020). The Appeals Procedures outlines the procedures and bases for

an appeal and was provided to all jurisdictions and posted on SCAG's website. The period to file appeals commenced on September 11, 2020 and per State housing law, local jurisdictions and HCD were permitted to file appeals until October 26, 2020.

Fifty-two (52) appeals were filed by jurisdictions with respect to forty-nine (49) jurisdictions' RHNA allocations by the October 26, 2020 deadline. Of the appeals filed, two were withdrawn at the request of the jurisdictions who filed them (City of West Hollywood and City of Calipatria). Over the eight public hearing sessions scheduled on January 6, 8, 11, 13, 15, 19, 22, and 25, the RHNA Appeals Board heard appeals filed on forty-seven (47) jurisdictions and made decisions to approve, partially approve, or deny the request. Of the appeals reviewed, RHNA Appeals Board granted two partial approvals: (1) The County of Riverside was granted a 215 unit reduction and (2) the City of Pico Rivera was granted 2,917 unit reduction for the reasons stated in the final written determinations for those appeals. As provided in State housing law and the adopted Appeals Procedures, the successfully appealed units will be proportionally reallocated back to the SCAG region. As provided in the adopted RHNA Subcommittee Charter and adopted Appeals Procedures, the RHNA Appeals Board was delegated by the Regional Council to review and make the final decisions regarding appeals. The final determination on the appeals made by the RHNA Subcommittee are final, and are not subject to any further review of the CEHD Committee or the Regional Council. The ratification of the RHNA Appeals Board final determinations has been scheduled for the February 16, 2021 RHNA Appeals Board meeting.

B. Summary of 6th cycle Proposed Final RHNA

Pursuant to Government Code Section 65584.05(g), SCAG is required to adopt a Final RHNA Allocation plan which fully allocates the regional share of statewide housing need and has taken into account all appeals. The final determination of all appeals is pending ratification by the RHNA Appeals Board on February 16, 2021.

Staff has developed the Proposed Final RHNA Allocation Plan, which represents the proposed regional total housing need and its allocation by income category, for all the cities and unincorporated counties (see attachment). According to the proposed Final Plan, the regional total housing need for the projection period between June 30, 2021 and October 15, 2029 is 1,341,827 units, which is the same total as the regional determination provided by HCD in October 2019. The proposed Final Plan is also consistent with the number of units for each income category as identified by HCD in their regional determination.

A proposed Final RHNA Allocation plan has been developed by SCAG staff based on the appeals hearing decisions and the required reallocation of successfully appealed units. Once the Proposed Final RHNA Allocation Plan is recommended for further recommendation by the RHNA Appeals



Board to the CEHD Committee, the proposed Final Allocation Plan will be included in the special CEHD Committee meeting scheduled for February 23, 2021.

Pending recommendation for Regional Council adoption by the CEHD Committee, the proposed Final RHNA Allocation Plan will be recommended for adoption by the Regional Council at a public hearing at their scheduled March 4, 2021 meeting. Following the adoption of the Final RHNA Plan, SCAG will submit the Final RHNA Plan to HCD. HCD will review the Final RHNA Plan and determine within 30 days its consistency with the existing and projected housing need for the region.

Once the Final RHNA Allocation Plan is adopted by SCAG, jurisdictions in the SCAG region must complete and adopt their local housing element update based on respective comments and findings by HCD. The deadline for the jurisdictions to adopt their 6th cycle local housing element is October 15, 2021.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Proposed Final Allocation Plan

SCAG 6TH CYCLE PROPOSED FINAL RHNA ALLOCATION

2/5/21

ALLOCATION BY COUNTY

	Total	Very-low income	Low income	Moderate income	Above moderate income
Imperial	15,993	4,671	2,357	2,198	6,767
Los Angeles	812,060	217,273	123,022	131,381	340,384
Orange	183,861	46,416	29,242	32,546	75,657
Riverside	167,351	41,995	26,473	29,167	69,716
San Bernardino	138,110	35,667	21,903	24,140	56,400
Ventura	24,452	5,774	3,810	4,525	10,343
TOTAL	1,341,827	351,796	206,807	223,957	559,267

ALLOCATION BY Regional Early Action Planning (REAP) SUBREGIONS

REAP Subregion	Total	Very-low income	Low income	Moderate income	Above moderate income
CVAG	31,619	6,204	4,664	5,561	15,190
Gateway Cities COG	71,678	20,029	10,391	10,822	30,436
Imperial County	15,993	4,671	2,357	2,198	6,767
Las Virgenes-Malibu COG	933	362	199	183	189
Los Angeles City	456,643	115,978	68,743	75,091	196,831
North Los Angeles County	15,663	4,001	2,129	2,332	7,201
Orange County COG	183,861	46,416	29,242	32,546	75,657
San Bernardino COG/SBCTA	138,110	35,667	21,903	24,140	56,400
San Fernando Valley COG	34,023	9,850	5,588	5,614	12,971
San Gabriel Valley COG	89,616	25,208	13,400	14,074	36,934
South Bay Cities COG	34,179	10,221	5,236	5,539	13,183
Uninc. Los Angeles County	90,052	25,648	13,691	14,180	36,533
Uninc. Riverside County	40,647	10,371	6,627	7,347	16,302
Ventura COG	24,452	5,774	3,810	4,525	10,343
Westside Cities COG	19,273	5,976	3,645	3,546	6,106
Western Riverside COG	95,085	25,420	15,182	16,259	38,224

ALLOCATION BY LOCAL JURISDICTION

County	Jurisdiction	Total	Very-low income	Low income	Moderate income	Above- moderate income
Imperial	Brawley city	1426	399	210	202	615
Imperial	Calexico city	4868	1279	655	614	2320
Imperial	Calipatria city	151	36	21	16	78
Imperial	El Centro city	3442	1001	490	462	1489
Imperial	Holtville city	171	41	33	26	71

Attachment: Proposed Final Allocation Plan (Proposed Final 6th Cycle RHNA Allocation Plan)

SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON RC-APPROVED FINAL RHNA METHODOLOGY

ALLOCATION BY LOCAL JURISDICTION

County	Jurisdiction	Total	Very-low		Moderate	Above-
			income	Low income	income	moderate income
Imperial	Imperial city	1601	704	346	294	257
Imperial	Unincorporated Imp	4301	1203	596	580	1922
Imperial	Westmorland city	33	8	6	4	15
Los Angeles	Agoura Hills city	318	127	72	55	64
Los Angeles	Alhambra city	6825	1774	1036	1079	2936
Los Angeles	Arcadia city	3214	1102	570	605	937
Los Angeles	Artesia city	1069	312	168	128	461
Los Angeles	Avalon city	27	8	5	3	11
Los Angeles	Azusa city	2651	760	368	382	1141
Los Angeles	Baldwin Park city	2001	576	275	263	887
Los Angeles	Bell city	229	43	24	29	133
Los Angeles	Bell Gardens city	503	100	29	72	302
Los Angeles	Bellflower city	3735	1015	488	553	1679
Los Angeles	Beverly Hills city	3104	1008	680	602	814
Los Angeles	Bradbury city	41	16	9	9	7
Los Angeles	Burbank city	8772	2553	1418	1409	3392
Los Angeles	Calabasas city	354	132	71	70	81
Los Angeles	Carson city	5618	1770	913	875	2060
Los Angeles	Cerritos city	1908	679	345	332	552
Los Angeles	Claremont city	1711	556	310	297	548
Los Angeles	Commerce city	247	55	22	39	131
Los Angeles	Compton city	1004	235	121	131	517
Los Angeles	Covina city	1910	614	268	281	747
Los Angeles	Cudahy city	393	80	36	53	224
Los Angeles	Culver City city	3341	1108	604	560	1069
Los Angeles	Diamond Bar city	2521	844	434	437	806
Los Angeles	Downey city	6525	2079	946	915	2585
Los Angeles	Duarte city	888	269	145	137	337
Los Angeles	El Monte city	8502	1797	853	1233	4619
Los Angeles	El Segundo city	492	189	88	84	131
Los Angeles	Gardena city	5735	1485	761	894	2595
Los Angeles	Glendale city	13425	3439	2163	2249	5574
Los Angeles	Glendora city	2276	735	386	388	767
Los Angeles	Hawaiian Gardens ci	331	61	44	46	180
Los Angeles	Hawthorne city	1734	445	204	249	836
Los Angeles	Hermosa Beach city	558	232	127	106	93
Los Angeles	Hidden Hills city	40	17	8	9	6
Los Angeles	Huntington Park city	1605	264	196	243	902
Los Angeles	Industry city	17	6	4	2	5
Los Angeles	Inglewood city	7439	1813	955	1112	3559
Los Angeles	Irwindale city	119	36	11	17	55
Los Angeles	La Cañada Flintridge	612	252	135	139	86

Attachment: Proposed Final Allocation Plan (Proposed Final 6th Cycle RHNA Allocation Plan)

SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON RC-APPROVED FINAL RHNA METHODOLOGY

ALLOCATION BY LOCAL JURISDICTION

County	Jurisdiction	Total	Very-low income	Low income	Moderate income	Above-moderate income
Los Angeles	La Habra Heights city	172	78	35	31	28
Los Angeles	La Mirada city	1962	634	342	320	666
Los Angeles	La Puente city	1929	544	275	275	835
Los Angeles	La Verne city	1346	414	239	223	470
Los Angeles	Lakewood city	3922	1296	637	653	1336
Los Angeles	Lancaster city	9023	2224	1194	1328	4277
Los Angeles	Lawndale city	2497	732	311	371	1083
Los Angeles	Lomita city	829	239	124	128	338
Los Angeles	Long Beach city	26502	7141	4047	4158	11156
Los Angeles	Los Angeles city	456643	115978	68743	75091	196831
Los Angeles	Lynwood city	1558	377	139	235	807
Los Angeles	Malibu city	79	28	19	17	15
Los Angeles	Manhattan Beach city	774	322	165	155	132
Los Angeles	Maywood city	365	55	47	55	208
Los Angeles	Monrovia city	1670	519	262	254	635
Los Angeles	Montebello city	5186	1314	707	777	2388
Los Angeles	Monterey Park city	5257	1324	822	848	2263
Los Angeles	Norwalk city	5034	1546	759	658	2071
Los Angeles	Palmdale city	6640	1777	935	1004	2924
Los Angeles	Palos Verdes Estates city	199	82	44	48	25
Los Angeles	Paramount city	364	92	43	48	181
Los Angeles	Pasadena city	9429	2747	1662	1565	3455
Los Angeles	Pico Rivera city	1024	299	146	149	430
Los Angeles	Pomona city	10558	2799	1339	1510	4910
Los Angeles	Rancho Palos Verdes city	639	253	139	125	122
Los Angeles	Redondo Beach city	2490	936	508	490	556
Los Angeles	Rolling Hills city	45	20	9	11	5
Los Angeles	Rolling Hills Estates city	191	82	42	38	29
Los Angeles	Rosemead city	4612	1154	638	686	2134
Los Angeles	San Dimas city	1248	384	220	206	438
Los Angeles	San Fernando city	1795	461	273	284	777
Los Angeles	San Gabriel city	3023	846	415	466	1296
Los Angeles	San Marino city	397	149	91	91	66
Los Angeles	Santa Clarita city	10031	3397	1734	1672	3228
Los Angeles	Santa Fe Springs city	952	253	159	152	388
Los Angeles	Santa Monica city	8895	2794	1672	1702	2727
Los Angeles	Sierra Madre city	204	79	39	35	51
Los Angeles	Signal Hill city	517	161	78	90	188
Los Angeles	South El Monte city	577	131	64	70	312
Los Angeles	South Gate city	8282	2136	994	1173	3979
Los Angeles	South Pasadena city	2067	757	398	334	578
Los Angeles	Temple City city	2186	630	350	369	837

Attachment: Proposed Final Allocation Plan (Proposed Final 6th Cycle RHNA Allocation Plan)

SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON RC-APPROVED FINAL RHNA METHODOLOGY

ALLOCATION BY LOCAL JURISDICTION

County	Jurisdiction	Total	Very-low income	Low income	Moderate income	Above-moderate income
Los Angeles	Torrance city	4939	1621	846	853	1619
Los Angeles	Unincorporated Los	90052	25648	13691	14180	36533
Los Angeles	Vernon city	9	5	4	0	0
Los Angeles	Walnut city	1293	427	225	231	410
Los Angeles	West Covina city	5346	1653	850	865	1978
Los Angeles	West Hollywood city	3933	1066	689	682	1496
Los Angeles	Westlake Village city	142	58	29	32	23
Los Angeles	Whittier city	3439	1025	537	556	1321
Orange	Aliso Viejo city	1195	390	214	205	386
Orange	Anaheim city	17453	3767	2397	2945	8344
Orange	Brea city	2365	669	393	403	900
Orange	Buena Park city	8919	2119	1343	1573	3884
Orange	Costa Mesa city	11760	2919	1794	2088	4959
Orange	Cypress city	3936	1150	657	623	1506
Orange	Dana Point city	530	147	84	101	198
Orange	Fountain Valley city	4839	1307	786	834	1912
Orange	Fullerton city	13209	3198	1989	2271	5751
Orange	Garden Grove city	19168	4166	2801	3211	8990
Orange	Huntington Beach ci	13368	3661	2184	2308	5215
Orange	Irvine city	23610	6396	4235	4308	8671
Orange	La Habra city	804	192	116	130	366
Orange	La Palma city	802	224	140	137	301
Orange	Laguna Beach city	394	118	80	79	117
Orange	Laguna Hills city	1985	568	353	354	710
Orange	Laguna Niguel city	1207	348	202	223	434
Orange	Laguna Woods city	997	127	136	192	542
Orange	Lake Forest city	3236	956	543	559	1178
Orange	Los Alamitos city	769	194	119	145	311
Orange	Mission Viejo city	2217	674	401	397	745
Orange	Newport Beach city	4845	1456	930	1050	1409
Orange	Orange city	3936	1067	604	677	1588
Orange	Placentia city	4374	1231	680	770	1693
Orange	Rancho Santa Margá	680	209	120	125	226
Orange	San Clemente city	982	282	164	188	348
Orange	San Juan Capistrano	1054	270	173	183	428
Orange	Santa Ana city	3095	586	362	523	1624
Orange	Seal Beach city	1243	258	201	239	545
Orange	Stanton city	1231	165	145	231	690
Orange	Tustin city	6782	1724	1046	1132	2880
Orange	Unincorporated Ora	10406	3139	1866	2040	3361
Orange	Villa Park city	296	93	60	61	82
Orange	Westminster city	9759	1881	1473	1784	4621

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SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON RC-APPROVED FINAL RHNA METHODOLOGY

ALLOCATION BY LOCAL JURISDICTION

County	Jurisdiction	Total	Very-low income	Low income	Moderate income	Above-moderate income
Orange	Yorba Linda city	2415	765	451	457	742
Riverside	Banning city	1673	317	193	280	883
Riverside	Beaumont city	4210	1229	721	723	1537
Riverside	Blythe city	494	82	71	96	245
Riverside	Calimesa city	2017	495	275	379	868
Riverside	Canyon Lake city	129	43	24	24	38
Riverside	Cathedral City city	2549	540	353	457	1199
Riverside	Coachella city	7886	1033	999	1367	4487
Riverside	Corona city	6088	1752	1040	1096	2200
Riverside	Desert Hot Springs c	3873	569	535	688	2081
Riverside	Eastvale City	3028	1145	672	635	576
Riverside	Hemet city	6466	812	732	1174	3748
Riverside	Indian Wells city	382	117	81	91	93
Riverside	Indio city	7812	1793	1170	1315	3534
Riverside	Jurupa Valley City	4497	1207	749	731	1810
Riverside	La Quinta city	1530	420	269	297	544
Riverside	Lake Elsinore city	6681	1878	1099	1134	2570
Riverside	Menifee city	6609	1761	1051	1106	2691
Riverside	Moreno Valley city	13627	3779	2051	2165	5632
Riverside	Murrieta city	3043	1009	583	545	906
Riverside	Norco city	454	145	85	82	142
Riverside	Palm Desert city	2790	675	460	461	1194
Riverside	Palm Springs city	2557	545	408	461	1143
Riverside	Perris city	7805	2030	1127	1274	3374
Riverside	Rancho Mirage city	1746	430	318	328	670
Riverside	Riverside city	18458	4861	3064	3139	7394
Riverside	San Jacinto city	3392	800	465	560	1567
Riverside	Temecula city	4193	1359	801	778	1255
Riverside	Unincorporated Rive	40647	10371	6627	7347	16302
Riverside	Wildomar city	2715	798	450	434	1033
San Bernardino	Adelanto city	3763	394	566	651	2152
San Bernardino	Apple Valley town	4290	1086	600	747	1857
San Bernardino	Barstow city	1520	172	228	300	820
San Bernardino	Big Bear Lake city	212	50	33	37	92
San Bernardino	Chino city	6978	2113	1284	1203	2378
San Bernardino	Chino Hills city	3729	1388	821	789	731
San Bernardino	Colton city	5434	1318	668	906	2542
San Bernardino	Fontana city	17519	5109	2950	3035	6425
San Bernardino	Grand Terrace city	630	189	92	106	243
San Bernardino	Hesperia city	8155	1921	1231	1409	3594
San Bernardino	Highland city	2513	619	409	471	1014
San Bernardino	Loma Linda city	2051	523	311	352	865

Attachment: Proposed Final Allocation Plan (Proposed Final 6th Cycle RHNA Allocation Plan)

SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON RC-APPROVED FINAL RHNA METHODOLOGY

ALLOCATION BY LOCAL JURISDICTION

County	Jurisdiction	Total	Very-low income	Low income	Moderate income	Above-moderate income
San Bernardino	Montclair city	2593	698	383	399	1113
San Bernardino	Needles city	87	10	11	16	50
San Bernardino	Ontario city	20854	5640	3286	3329	8599
San Bernardino	Rancho Cucamonga	10525	3245	1920	2038	3322
San Bernardino	Redlands city	3516	967	615	652	1282
San Bernardino	Rialto city	8272	2218	1206	1371	3477
San Bernardino	San Bernardino city	8123	1415	1097	1448	4163
San Bernardino	Twentynine Palms ci	1047	231	127	185	504
San Bernardino	Unincorporated San	8832	2179	1360	1523	3770
San Bernardino	Upland city	5686	1584	959	1013	2130
San Bernardino	Victorville city	8165	1735	1136	1504	3790
San Bernardino	Yucaipa city	2866	708	493	511	1154
San Bernardino	Yucca Valley town	750	155	117	145	333
Ventura	Camarillo city	1376	353	244	271	508
Ventura	Fillmore city	415	73	61	72	209
Ventura	Moorpark city	1289	377	233	245	434
Ventura	Ojai city	53	13	9	10	21
Ventura	Oxnard city	8549	1840	1071	1538	4100
Ventura	Port Hueneme city	125	26	16	18	65
Ventura	San Buenaventura (V)	5312	1187	865	950	2310
Ventura	Santa Paula city	657	102	99	121	335
Ventura	Simi Valley city	2793	749	493	518	1033
Ventura	Thousand Oaks city	2621	735	494	532	860
Ventura	Unincorporated Ven	1262	319	225	250	468

Attachment: Proposed Final Allocation Plan (Proposed Final 6th Cycle RHNA Allocation Plan)



Southern California Association of Governments
Remote Participation Only
February 16, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Ma'Ayn Johnson, Regional Planner Specialist,
(213) 236-1975, johnson@scag.ca.gov

Subject: Report on RHNA Process and Consideration of Resolution

RECOMMENDED ACTION:

Review and recommend to the Community, Economic and Human Development (CEHD) Committee for further recommendation of adoption by the Regional Council a resolution to direct SCAG to:

1. Continue supporting local jurisdictions with their Housing Element development through Regional Early Action Planning (REAP) grant programs;
2. Engage with the California Department of Housing and Community Development (HCD) to ensure clear understanding of challenges faced by local jurisdictions and that all development opportunities are fully considered;
3. Encourage HCD to pursue activities as part of a reform committee established under Assembly Bill (AB) 101 including and holding hearings in the SCAG region and inviting participation and input from stakeholders, particularly local jurisdictions which filed appeals; and
4. Work with the State Legislature to pursue legislative changes to State housing law to allow for more flexibility for housing element development and implementation.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

At the request of the RHNA Subcommittee/RHNA Appeals Board Chair, SCAG staff has developed a draft resolution highlighting some of the concerns raised during the 6th cycle RHNA Appeals and providing direction on next steps for SCAG to pursue to improve upon the RHNA process and support local jurisdictions in updating their housing elements to meet their 6th cycle RHNA allocation. The resolution is recommended to the RHNA Subcommittee/RHNA Appeals Board for further recommendation by the CEHD Committee for adoption by the Regional Council on March 4, 2021.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

BACKGROUND:

The 6th cycle RHNA, which covers the planning period between October 2021 through October 2029, is a complex process to determine housing need for each individual jurisdiction in the SCAG region. Several issues have been raised during the RHNA process, particularly during the Appeals process, and elected officials, jurisdictions, and stakeholders have shared concerns and potential strategies to address these issues.

To address these issues and explore various strategies, at the request of the RHNA Subcommittee/RHNA Appeals Board Chair, SCAG staff has developed a draft resolution on how these issues should be addressed:

Continue supporting local jurisdictions with their Housing Element development through Regional Early Action Planning (REAP) grant programs

Several programs are currently underway through SCAG's REAP program to support the acceleration of housing production at the subregional and local level. A total of \$23 million has been set aside to fund projects at the subregional partner level to support housing element preparation and implementation by local jurisdictions, and other related activities. Allocation of funding is determined by the RHNA allocation. In addition, data platforms and other technical assistance will continue to be developed to assist local jurisdictions to update housing elements and related housing planning efforts to meet their 6th cycle RHNA allocation.

Engage with the California Department of Housing and Community Development (HCD) to ensure clear understanding of challenges faced by local jurisdictions and that all development opportunities are fully considered

Given land-use constraints and the scale of additional growth many jurisdictions must plan to accommodate, the region will only be successful in meeting its housing planning obligations if new and innovative approaches for accommodating growth are fully considered by HCD in exercising its discretion in the site identification process. Through the administrative process, SCAG will collaborate with HCD and local jurisdictions to assess the production potential of innovative solutions and maximize opportunities for inclusion in site inventories. Several SCAG studies are currently underway, including an ADU assessment, to ensure that regional context and data inform local planning assumptions. Other ways to address local constraints include certifying HCD-pre-approved data sets that can be used as part of the site identification process as part of a streamlined review of sites, similar to the current pre-approved housing need data sets, while still meeting the requirements of State housing law. SCAG will continue to work with HCD to ensure other innovations in housing planning and programs are fully considered.

Encourage HCD to pursue activities as part of a reform committee established under Assembly Bill (AB) 101 including and holding hearings in the SCAG region and inviting participation and input from stakeholders, particularly local jurisdictions which filed appeals

SCAG will engage HCD to discuss the complex challenges faced by local jurisdictions and pursue activities as part of a reform committee established by AB 101. AB 101 requires HCD to collaborate with the Office of Planning and Research (OPR) to develop a recommended improved RHNA process and methodology that “promotes and streamlines housing development and substantially addresses California’s housing shortage” by December 31, 2022. As part of this process, HCD is required to engage in stakeholder participation. During the appeals process, it was clear that many local jurisdictions are frustrated by the RHNA process and the limited ability for SCAG to consider the unique constraints of each jurisdiction such as such as wildfire, coastal, and other high risk zones and as well as economic development issues, i.e., one size does not fit all. Furthermore, it was suggested that the bases for appeal were too limited. These jurisdictions should have the opportunity to raise their issues with HCD. SCAG will encourage HCD to hold hearings related to reform in the SCAG region.

Work with the State Legislature to pursue legislative changes to State housing law to allow for more flexibility for housing element development and implementation

Based on concerns raised during the 6th cycle RHNA, SCAG staff will work with the State legislature to pursue legislative changes to State housing law. Issues raised include trade and transfer of RHNA units, extending deadlines, and RHNA methodology and appeal constraints.

Pending action by the RHNA Subcommittee/RHNA Appeals Board, the resolution will be recommended to the CEHD Committee at its special February 23, 2021 meeting for further recommendation to the Regional Council for adoption at its March 4, 2021 meeting.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

ATTACHMENT(S):

1. Draft Resolution - RHNA Reform

**A RESOLUTION OF THE SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS (SCAG) TO PURSUE IMPROVEMENTS
TO THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) PROCESS
AND CONTINUE SUPPORT FOR LOCAL JURISDICTIONS IN DEVELOPING
AND IMPLEMENTING THEIR 6TH CYCLE RHNA HOUSING ELEMENTS**

SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
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WHEREAS, SCAG is the largest Metropolitan Planning Organization (MPO) in the United States covering six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura), and serving 19 million people pursuant to 23 USC § 134 et seq. and 49 USC § 5303 et seq.; and

WHEREAS, as the region's council of governments, SCAG is responsible for allocating the state-determined regional housing need to all local jurisdictions within the SCAG region in accordance with state housing law, a process known as the development of the RHNA; and

WHEREAS, SCAG's Regional Council delegated to the SCAG RHNA Subcommittee, whose members are comprised of elected officials from each of the respective six (6) counties within the SCAG region, the authority to provide policy direction throughout the 6th cycle RHNA process and to provide recommendations to the SCAG Community Economic and Human Development (CEHD) Committee; and

WHEREAS, the RHNA Appeals Board reviewed, discussed and considered the Fifty-two (52) appeals that were filed by jurisdictions on the draft RHNA allocations of forty-nine (49) jurisdictions by the October 26, 2020 deadline. Of the appeals filed, two were withdrawn at the request of the jurisdictions who filed them (City of West Hollywood and City of Calipatria). Over the eight public hearing sessions scheduled on January 6, 8, 11, 13, 15, 19, 22, and 25, the RHNA Appeals Board heard appeals filed on forty-seven (47) jurisdictions and made decisions to approve, partially approve, or deny the request; and

WHEREAS, of the appeals reviewed, the RHNA Appeals Board granted two partial approvals. The County of Riverside was granted a 215 unit reduction and the City of Pico Rivera was granted 2,917 unit reduction. Per State housing law and the adopted Appeals Procedures, the successfully appealed units were proportionally reallocated back to the SCAG region; and

WHEREAS, during the appeals process, jurisdictions raised many reasonable concerns regarding the regional housing need determination (RHNA Determination or Regional Determination) by the Department of Housing and Community Development (HCD) and their ability to meet their housing elements; and

Attachment: Draft Resolution - RHNA Reform (Report on RHNA Process and Consideration of Resolution)

WHEREAS, State law (Government Code Section 65580 *et seq.*) defines a process for HCD development of RHNA Determination; and

WHEREAS, SCAG does not believe HCD followed this process, and on or about September 18, 2019, SCAG submitted its objection to HCD's initial RHNA determination of 1,344,740 total units among four income categories for the SCAG region for 2021-2029. SCAG objected primarily on the grounds that (1) HCD did not base its determination on SCAG's Connect SoCal growth forecast; (2) HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions; and (3) HCD used unrealistic comparison points to evaluate healthy market vacancy. SCAG proposed an alternative RHNA determination of 823,808 units; and

WHEREAS, on or about October 15, 2019, after consideration of SCAG's objection, HCD issued its Final RHNA Determination of a minimum of 1,341,827 total units among four income categories for the 6th cycle projection period June 30, 2021-October 15, 2029; and

WHEREAS, SCAG is committed to addressing the housing crisis in the State and recognizes that the RHNA is an important tool to address this crisis; and

WHEREAS, SCAG is committed to executing its responsibilities under the RHNA statute (Government Code Section 65580 *et seq.*), including adopting a Final RHNA Allocation Plan that furthers the objectives set forth in Government Code Section 65584(d) and allocates the Final RHNA Determination; and

WHEREAS, SCAG is concerned that by setting the Regional Determination so high, jurisdictions will not be able to fulfill their obligations and will be penalized in a way that only hurts jurisdictions' ability to build housing; and

WHEREAS, during the appeals process, the RHNA Appeals Board heard many other concerns about legitimate constraints that were not addressed by the Regional Determination or the RHNA methodology, which were outside of planning factors articulated in the RHNA statute such as wildfire and other high risk zones, flooding risk caused by dams, ingress and egress issues caused by limited and narrow roadways, as well as economic development issues, limited bases for appeal, etc.; and

WHEREAS, SCAG has determined that jurisdictions need continued support by the State as well as flexibility to meet their housing element requirements; and

WHEREAS, SCAG is committed to helping jurisdictions update their housing elements through Regional Early Action Planning (REAP) grant programs.

NOW, THEREFORE, BE IT RESOLVED, by the Regional Council of the Southern California Association of Governments as follows:

1. SCAG shall continue supporting local jurisdictions with their Housing Element development through Regional Early Action Planning (REAP) grant programs; and

2. SCAG shall engage with the California Department of Housing and Community Development (HCD) to ensure clear understanding of challenges faced by local jurisdictions and that all development opportunities are fully considered; and
3. SCAG shall encourage HCD to pursue activities as part of a reform committee established under Assembly Bill (AB) 101 including holding hearings in the SCAG region and inviting participation and input from stakeholders, particularly local jurisdictions which filed appeals; and
4. SCAG shall work with the State Legislature to pursue legislative changes to State housing law to allow for more flexibility for housing element development and implementation.

PASSED, APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at its regular meeting this 4th day of March, 2021.

Rex Richardson
President, SCAG
Vice Mayor, City of Long Beach

Attested by:

Kome Ajise
Executive Director

Approved as to Form:

Michael Houston
Chief Counsel