

SOUTHERN CALIFORNIA



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**No. 1  
MEETING OF THE**

**REGIONAL HOUSING NEEDS  
ASSESSMENT REFORM  
SUBCOMMITTEE**

***Wednesday, October 23, 2013  
2:00 p.m. – 5:00 p.m.***

**SCAG Office  
818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor  
Board Room  
Los Angeles, CA 90017  
(213) 236-1800**

**Videoconference Sites**

**Imperial County Regional Office  
1405 North Imperial Avenue, Suite 1  
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**Orange County Regional Office  
600 S. Main Street, Suite 912  
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Due to the limited size of the meeting room, participants are encouraged to reserve a seat in advance of the meeting. In the event the meeting room fills to capacity, participants may attend the meeting at the main location or any of the other video-conference locations.

**City of Palmdale  
38250 Sierra Highway  
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**Riverside County Regional Office**  
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**Ventura County Regional Office**  
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**South Bay Cities COG, Environmental Services Center**  
20285 S. Western Avenue, Suite 100  
Torrance, CA 90501

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Ma'Ayn Johnson at (213) 236-1975 or via email [johnson@scag.ca.gov](mailto:johnson@scag.ca.gov)

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## **Regional Housing Needs Assessment Reform Subcommittee Member List**

- San Bernardino County: Hon. Bill Jahn, Big Bear Lake, District 11 (Alternate), **Chair**  
Hon. Larry McCallon, Highland, District 7 (Primary)
- Los Angeles County: Hon. Margaret Finlay, Duarte, District 35 (Primary)  
Hon. Steven Hofbauer, Palmdale, District 43 (Alternate)
- Orange County: Hon. Ron Garcia, Brea, OCCOG (Primary)  
Hon. Kathryn McCullough, Lake Forest, OCCOG (Alternate)
- Riverside County: Hon. Randon Lane, Murrieta, WRCOG (Primary)  
Hon. Debbie Franklin, Banning, WRCOG (Alternate)
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Hon. Linda Parks, County of Ventura, (Alternate)
- Imperial County: Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)  
Hon. Jack Terrazas, Imperial County (Alternate)

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**REGIONAL HOUSING NEEDS ASSESSMENT AND HOUSING ELEMENT  
REFORM SUBCOMMITTEE AGENDA  
OCTOBER 23, 2013**

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*The Regional Housing Needs Assessment and Housing Element Reform Subcommittee may 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 & PLEDGE OF ALLEGIANCE**

*(Hon. Bill Jahn, Chair)*

**PUBLIC COMMENT PERIOD** – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Subcommittee, must fill out and present a speaker’s card to the Assistant prior to speaking. Comments will be limited to three minutes. The Chair may limit the total time for all comments to twenty minutes.

**REVIEW AND PRIORITIZE AGENDA ITEMS**

**CONSENT CALENDAR**

**Time      Page No.**

**Receive and File**

- |                                                                                                                                |                   |          |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|----------|
| 1. <u>Transmittal of Housing Element and Regional Housing Needs Assessment Statutes</u><br><i>(Ma’Ayn Johnson, SCAG Staff)</i> | <b>Attachment</b> | <b>1</b> |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|----------|

**INFORMATION ITEMS**

- |                                                                                                                 |                   |                 |           |
|-----------------------------------------------------------------------------------------------------------------|-------------------|-----------------|-----------|
| 2. <u>5<sup>TH</sup> Regional Housing Needs Assessment Cycle Process</u><br><i>(Ma’Ayn Johnson, SCAG Staff)</i> | <b>Attachment</b> | <b>30 mins.</b> | <b>39</b> |
|-----------------------------------------------------------------------------------------------------------------|-------------------|-----------------|-----------|

**ACTION ITEMS**

- |                                                                                                                                                            |                   |                 |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|-----------|
| 3. <u>Proposed Regional Housing Needs Assessment &amp; Housing Element Reform Subcommittee Charter</u><br><i>(Joann Africa, SCAG, Chief Legal Counsel)</i> | <b>Attachment</b> | <b>20 mins.</b> | <b>79</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|-----------|

**Recommended Action:** Review and approve the proposed RHNA and Housing Element Reform Subcommittee Charter and recommend its approval by the CEHD Committee.

**REGIONAL HOUSING NEEDS ASSESSMENT AND HOUSING ELEMENT  
REFORM SUBCOMMITTEE AGENDA  
OCTOBER 23, 2013**

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**ACTION ITEMS (continued)**

- |                                                                                                                                                                                 |                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 4. <u>Regional Housing Needs Assessment and Housing Element Reform Subcommittee Topic Outlook</u><br><i>(Huasha Liu, Director, SCAG, Land Use &amp; Environmental Planning)</i> | <b>Attachment 60 mins. 83</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|

**Recommended Action:** Approve topics to be discussed and schedule by the Subcommittee.

**CHAIR'S REPORT**

*(Hon. Bill Jahn, Chair)*

**STAFF REPORT**

*(Ma'Ayn Johnson, SCAG Staff)*

**FUTURE AGENDA ITEMS**

Any Subcommittee member or staff desiring to place items on a future agenda may make such a request.

**ANNOUNCEMENTS**

**ADJOURNMENT**

*The next meeting of the RHNA Reform Subcommittee will be determined at the scheduled October 23, 2013 meeting.*

# REPORT

**DATE:** October 23, 2013  
**TO:** RHNA and Housing Element Reform Subcommittee  
**FROM:** Ma'Ayn Johnson, Senior Regional Planner, 213-236-1975, johnson@scag.ca.gov  
**SUBJECT:** Transmittal of RHNA and Housing Element Statutes

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**  
For Information Only – No Action Required.

**EXECUTIVE SUMMARY:**  
*Government Code Sections 65580 through 65589.8, also known as RHNA and Housing Element statutes, are the California State laws that govern the RHNA and housing element processes.*

**STRATEGIC PLAN:**  
This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**BACKGROUND:**  
The RHNA and Housing Element processes are codified in state law under Government Code Sections 65580 through 65589.8. Copies of these statutes are attached for your information and future reference. Staff will refer to the provision of these laws as appropriate during the deliberations of the Subcommittee. Below is an outline of key sections:

Section	Issue
65583 (a)	Analysis requirements of housing elements
65583.2(a)(b)	Housing element zoning and suitable sites requirements
65583(c)	Default densities
65584.01, 65584.02	Determining total regional housing need
65584.03	Subregional delegation
65584.04	RHNA methodology
65584.04(d)	"AB 2158 factors"
65584.05	Release of draft RHNA allocation
65584.05 (d)	Revision requests
65584.05 (e)	Appeals procedure
65584.05(f)-(h)	Release of final RHNA allocation

# REPORT

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**FISCAL IMPACT:**

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee along with additional related direct costs (i.e., stipends, meals, mileage and parking) will be drawn from the General Fund reserves until the FY 13-14 General Fund Budget is amended accordingly.

**ATTACHMENT:**

1. Transmittal of Government Code Sections 65580-65589.8



# GOVERNMENT CODE

## SECTION 65580-65589.8

65580. The Legislature finds and declares as follows:

(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.

65581. It is the intent of the Legislature in enacting this article:

(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.

65582. As used in this article, the following definitions apply:

(a) "Community," "locality," "local government," or "jurisdiction" means a city, city and county, or county.

(b) "Council of governments" means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.

(c) "Department" means the Department of Housing and Community Development.

(d) "Emergency shelter" has the same meaning as defined in subdivision (e) of Section 50801 of the Health and Safety Code.

(e) "Housing element" or "element" means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.

(f) "Supportive housing" has the same meaning as defined in subdivision (b) of Section 50675.14 of the Health and Safety Code.

(g) "Transitional housing" has the same meaning as defined in subdivision (h) of Section 50675.2 of the Health and Safety Code.

65582.1. The Legislature finds and declares that it has provided reforms and incentives to facilitate and expedite the construction of affordable housing. Those reforms and incentives can be found in the following provisions:

(a) Housing element law (Article 10.6 (commencing with Section 65580) of Chapter 3).

(b) Extension of statute of limitations in actions challenging the housing element and brought in support of affordable housing (subdivision (d) of Section 65009).

(c) Restrictions on disapproval of housing developments (Section

65589.5).

(d) Priority for affordable housing in the allocation of water and sewer hookups (Section 65589.7).

(e) Least cost zoning law (Section 65913.1).

(f) Density bonus law (Section 65915).

(g) Second dwelling units (Sections 65852.150 and 65852.2).

(h) By-right housing, in which certain multifamily housing are designated a permitted use (Section 65589.4).

(i) No-net-loss-in zoning density law limiting downzonings and density reductions (Section 65863).

(j) Requiring persons who sue to halt affordable housing to pay attorney fees (Section 65914) or post a bond (Section 529.2 of the Code of Civil Procedure).

(k) Reduced time for action on affordable housing applications under the approval of development permits process (Article 5 (commencing with Section 65950) of Chapter 4.5).

(l) Limiting moratoriums on multifamily housing (Section 65858).

(m) Prohibiting discrimination against affordable housing (Section 65008).

(n) California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3).

(o) Community redevelopment law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, and in particular Sections 33334.2 and 33413).

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include all of the following:

(1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including extremely low income households, as defined in subdivision (b) of Section 50105 and Section 50106 of the Health and Safety Code. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584. Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households. The local agency may either use available census data to calculate the percentage of very low income households that qualify as extremely low income households or presume that 50 percent of the very low income households qualify as extremely low income households. The number of extremely low income households and very low income households shall equal the jurisdiction's allocation of very low income households pursuant to Section 65584.

(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) (A) The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7), except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter. If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element. The local government may identify additional zones where emergency shelters are permitted with a conditional use permit. The local government shall also demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of, or conversion to, emergency shelters. Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within

the same zone except that a local government may apply written, objective standards that include all of the following:

- (i) The maximum number of beds or persons permitted to be served nightly by the facility.
- (ii) Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.
- (iii) The size and location of exterior and interior onsite waiting and client intake areas.
- (iv) The provision of onsite management.
- (v) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.
- (vi) The length of stay.
- (vii) Lighting.
- (viii) Security during hours that the emergency shelter is in operation.

(B) The permit processing, development, and management standards applied under this paragraph shall not be deemed to be discretionary acts within the meaning of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(C) A local government that can demonstrate to the satisfaction of the department the existence of one or more emergency shelters either within its jurisdiction or pursuant to a multijurisdictional agreement that can accommodate that jurisdiction's need for emergency shelter identified in paragraph (7) may comply with the zoning requirements of subparagraph (A) by identifying a zone or zones where new emergency shelters are allowed with a conditional use permit.

(D) A local government with an existing ordinance or ordinances that comply with this paragraph shall not be required to take additional action to identify zones for emergency shelters. The housing element must only describe how existing ordinances, policies, and standards are consistent with the requirements of this paragraph.

(5) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.

(6) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

(7) An analysis of any special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. The need for emergency shelter shall be assessed based on annual and seasonal need. The need for emergency shelter may be reduced by the number of supportive housing units that are identified in an adopted 10-year plan to end chronic homelessness and that are either vacant or for which funding has been identified to allow construction during the planning period.

(8) An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system.

(9) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the

federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use, and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project-by-project cost estimate.

(C) The analysis shall identify public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.

(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low income, that can be constructed, rehabilitated, and conserved over a five-year time period.

(c) A program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, the utilization of appropriate federal and state financing and subsidy programs when available, and the utilization of moneys in a low- and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.

(A) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, rezoning of those sites, including adoption of minimum density

and development standards, for jurisdictions with an eight-year housing element planning period pursuant to Section 65588, shall be completed no later than three years after either the date the housing element is adopted pursuant to subdivision (f) of Section 65585 or the date that is 90 days after receipt of comments from the department pursuant to subdivision (b) of Section 65585, whichever is earlier, unless the deadline is extended pursuant to subdivision (f). Notwithstanding the foregoing, for a local government that fails to adopt a housing element within 120 days of the statutory deadline in Section 65588 for adoption of the housing element, rezoning of those sites, including adoption of minimum density and development standards, shall be completed no later than three years and 120 days from the statutory deadline in Section 65588 for adoption of the housing element.

(B) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall identify sites that can be developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2. The identification of sites shall include all components specified in subdivision (b) of Section 65583.2.

(C) Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low- and very low income households.

(2) Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.

(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

(5) Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

(6) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

(7) Include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals.

(8) Include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

(d) (1) A local government may satisfy all or part of its requirement to identify a zone or zones suitable for the development of emergency shelters pursuant to paragraph (4) of subdivision (a) by adopting and implementing a multijurisdictional agreement, with a maximum of two other adjacent communities, that requires the participating jurisdictions to develop at least one year-round emergency shelter within two years of the beginning of the planning period.

(2) The agreement shall allocate a portion of the new shelter capacity to each jurisdiction as credit towards its emergency shelter need, and each jurisdiction shall describe how the capacity was allocated as part of its housing element.

(3) Each member jurisdiction of a multijurisdictional agreement shall describe in its housing element all of the following:

(A) How the joint facility will meet the jurisdiction's emergency shelter need.

(B) The jurisdiction's contribution to the facility for both the development and ongoing operation and management of the facility.

(C) The amount and source of the funding that the jurisdiction contributes to the facility.

(4) The aggregate capacity claimed by the participating jurisdictions in their housing elements shall not exceed the actual capacity of the shelter.

(e) Except as otherwise provided in this article, amendments to this article that alter the required content of a housing element shall apply to both of the following:

(1) A housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when a city, county, or city and county submits a draft to the department for review pursuant to Section 65585 more than 90 days after the effective date of the amendment to this section.

(2) Any housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when the city, county, or city and county fails to submit the first draft to the department before the due date specified in Section 65588 or 65584.02.

(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:

(1) The local government has been unable to complete the rezoning because of the action or inaction beyond the control of the local government of any other state, federal, or local agency.

(2) The local government is unable to complete the rezoning because of infrastructure deficiencies due to fiscal or regulatory constraints.

(3) The local government must undertake a major revision to its general plan in order to accommodate the housing-related policies of a sustainable communities strategy or an alternative planning strategy adopted pursuant to Section 65080.

The resolution and the findings shall be transmitted to the department together with a detailed budget and schedule for preparation and adoption of the required rezonings, including plans for citizen participation and expected interim action. The schedule shall provide for adoption of the required rezoning within one year of the adoption of the resolution.

(g) (1) If a local government fails to complete the rezoning by the deadline provided in subparagraph (A) of paragraph (1) of subdivision (c), as it may be extended pursuant to subdivision (f), except as provided in paragraph (2), a local government may not disapprove a housing development project, nor require a conditional use permit, planned unit development permit, or other locally imposed discretionary permit, or impose a condition that would render the project infeasible, if the housing development project (A) is proposed to be located on a site required to be rezoned pursuant to the program action required by that subparagraph and (B) complies with applicable, objective general plan and zoning standards and criteria, including design review standards, described in the program action required by that subparagraph. Any subdivision of sites shall be subject to the Subdivision Map Act (Division 2 (commencing with Section 66410)). Design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

(2) A local government may disapprove a housing development described in paragraph (1) if it makes written findings supported by substantial evidence on the record that both of the following conditions exist:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(3) The applicant or any interested person may bring an action to enforce this subdivision. If a court finds that the local agency disapproved a project or conditioned its approval in violation of this subdivision, the court shall issue an order or judgment compelling compliance within 60 days. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment has not been carried

out within 60 days, the court may issue further orders to ensure that the purposes and policies of this subdivision are fulfilled. In any such action, the city, county, or city and county shall bear the burden of proof.

(4) For purposes of this subdivision, "housing development project" means a project to construct residential units for which the project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of at least 49 percent of the housing units for very low, low-, and moderate-income households with an affordable housing cost or affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, respectively, for the period required by the applicable financing.

(h) An action to enforce the program actions of the housing element shall be brought pursuant to Section 1085 of the Code of Civil Procedure.

65583.1. (a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for substantial compliance with this article, may allow a city or county to identify adequate sites, as required pursuant to Section 65583, by a variety of methods, including, but not limited to, redesignation of property to a more intense land use category and increasing the density allowed within one or more categories. The department may also allow a city or county to identify sites for second units based on the number of second units developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department. Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.

(b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.

Any city, city and county, or county using this subdivision shall address the progress in meeting this section in the reports provided pursuant to paragraph (1) of subdivision (b) of Section 65400.

(c) (1) The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph (1) of subdivision (c) of Section 65583 where the community includes in its housing element a program committing the local government to provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low income households at affordable housing costs or affordable rents, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, and which meet the requirements of paragraph (2). Except as otherwise provided in this subdivision, the community may substitute one dwelling unit for one dwelling unit site in the applicable income category. The program shall do all of the following:

(A) Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.

(B) Indicate the number of units that will be provided to both low- and very low income households and demonstrate that the amount of dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.

(C) Demonstrate that the units meet the requirements of paragraph (2).

(2) Only units that comply with subparagraph (A), (B), or (C) qualify for inclusion in the housing element program described in paragraph (1), as follows:

(A) Units that are to be substantially rehabilitated with committed assistance from the city or county and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit

is not eligible to be "substantially rehabilitated" unless all of the following requirements are met:

(i) At the time the unit is identified for substantial rehabilitation, (I) the local government has determined that the unit is at imminent risk of loss to the housing stock, (II) the local government has committed to provide relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants temporarily or permanently displaced by the rehabilitation or code enforcement activity, or the relocation is otherwise provided prior to displacement either as a condition of receivership, or provided by the property owner or the local government pursuant to Article 2.5 (commencing with Section 17975) of Chapter 5 of Part 1.5 of Division 13 of the Health and Safety Code, or as otherwise provided by local ordinance; provided the assistance includes not less than the equivalent of four months' rent and moving expenses and comparable replacement housing consistent with the moving expenses and comparable replacement housing required pursuant to Section 7260, (III) the local government requires that any displaced occupants will have the right to reoccupy the rehabilitated units, and (IV) the unit has been found by the local government or a court to be unfit for human habitation due to the existence of at least four violations of the conditions listed in subdivisions (a) to (g), inclusive, of Section 17995.3 of the Health and Safety Code.

(ii) The rehabilitated unit will have long-term affordability covenants and restrictions that require the unit to be available to, and occupied by, persons or families of low- or very low income at affordable housing costs for at least 20 years or the time period required by any applicable federal or state law or regulation.

(iii) Prior to initial occupancy after rehabilitation, the local code enforcement agency shall issue a certificate of occupancy indicating compliance with all applicable state and local building code and health and safety code requirements.

(B) Units that are located either on foreclosed property or in a multifamily rental or ownership housing complex of three or more units, are converted with committed assistance from the city or county from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent domain, and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:

(i) The unit is made available for rent at a cost affordable to low- or very low income households.

(ii) At the time the unit is identified for acquisition, the unit is not available at an affordable housing cost to either of the following:

(I) Low-income households, if the unit will be made affordable to low-income households.

(II) Very low income households, if the unit will be made affordable to very low income households.

(iii) At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households or if the acquired unit is occupied, the local government has committed to provide relocation assistance prior to displacement, if any, pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants displaced by the conversion, or the relocation is otherwise provided prior to displacement; provided the assistance includes not less than the equivalent of four months' rent and moving expenses and comparable replacement housing consistent with the moving expenses and comparable replacement housing required pursuant to Section 7260.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low- or very low income for not less than 55 years.

(vi) For units located in multifamily ownership housing complexes with three or more units, or on or after January 1, 2015, on foreclosed properties, at least an equal number of new-construction multifamily rental units affordable to lower income households have been constructed in the city or county within the same planning period as the number of ownership units to be converted.

(C) Units that will be preserved at affordable housing costs to persons or families of low- or very low incomes with committed assistance from the city or county by acquisition of the unit or the purchase of affordability covenants for the unit. For purposes of this subparagraph, a unit shall not be deemed preserved unless all of the following occur:

(i) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to, and reserved



for occupancy by, persons of the same or lower income group as the current occupants for a period of at least 40 years.

(ii) The unit is within an "assisted housing development," as defined in paragraph (3) of subdivision (a) of Section 65863.10.

(iii) The city or county finds, after a public hearing, that the unit is eligible, and is reasonably expected, to change from housing affordable to low- and very low income households to any other use during the next five years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) At the time the unit is identified for preservation it is available at affordable cost to persons or families of low- or very low income.

(3) This subdivision does not apply to any city or county that, during the current or immediately prior planning period, as defined by Section 65588, has not met any of its share of the regional need for affordable housing, as defined in Section 65584, for low- and very low income households. A city or county shall document for any housing unit that a building permit has been issued and all development and permit fees have been paid or the unit is eligible to be lawfully occupied.

(4) For purposes of this subdivision, "committed assistance" means that the city or county enters into a legally enforceable agreement during the period from the beginning of the projection period until the end of the second year of the planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. "Committed assistance" does not include tenant-based rental assistance.

(5) For purposes of this subdivision, "net increase" includes only housing units provided committed assistance pursuant to subparagraph (A) or (B) of paragraph (2) in the current planning period, as defined in Section 65588, that were not provided committed assistance in the immediately prior planning period.

(6) For purposes of this subdivision, "the time the unit is identified" means the earliest time when any city or county agent, acting on behalf of a public entity, has proposed in writing or has proposed orally or in writing to the property owner, that the unit be considered for substantial rehabilitation, acquisition, or preservation.

(7) In the third year of the planning period, as defined by Section 65588, in the report required pursuant to Section 65400, each city or county that has included in its housing element a program to provide units pursuant to subparagraph (A), (B), or (C) of paragraph (2) shall report in writing to the legislative body, and to the department within 30 days of making its report to the legislative body, on its progress in providing units pursuant to this subdivision. The report shall identify the specific units for which committed assistance has been provided or which have been made available to low- and very low income households, and it shall adequately document how each unit complies with this subdivision. If, by July 1 of the third year of the planning period, the city or county has not entered into an enforceable agreement of committed assistance for all units specified in the programs adopted pursuant to subparagraph (A), (B), or (C) of paragraph (2), the city or county shall, not later than July 1 of the fourth year of the planning period, adopt an amended housing element in accordance with Section 65585, identifying additional adequate sites pursuant to paragraph (1) of subdivision (c) of Section 65583 sufficient to accommodate the number of units for which committed assistance was not provided. If a city or county does not amend its housing element to identify adequate sites to address any shortfall, or fails to complete the rehabilitation, acquisition, purchase of affordability covenants, or the preservation of any housing unit within two years after committed assistance was provided to that unit, it shall be prohibited from identifying units pursuant to subparagraph (A), (B), or (C) of paragraph (2) in the housing element that it adopts for the next planning period, as defined in Section 65588, above the number of units actually provided or preserved due to committed assistance.

(d) A city or county may reduce its share of the regional housing need by the number of units built between the start of the projection period and the deadline for adoption of the housing element. If the city or county reduces its share pursuant to this subdivision, the city or county shall include in the housing element a description of the methodology for assigning those housing units to an income category based on actual or projected sales price, rent levels, or other mechanisms establishing affordability.

65583.2. (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the following:

(1) Vacant sites zoned for residential use.

(2) Vacant sites zoned for nonresidential use that allows residential development.

(3) Residentially zoned sites that are capable of being developed at a higher density.

(4) Sites zoned for nonresidential use that can be redeveloped for, and as necessary, rezoned for, residential use.

(b) The inventory of land shall include all of the following:

(1) A listing of properties by parcel number or other unique reference.

(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.

(3) For nonvacant sites, a description of the existing use of each property.

(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) A general description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities. This information need not be identified on a site-specific basis.

(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulations requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For incorporated cities within nonmetropolitan counties and for nonmetropolitan counties that have micropolitan areas: sites allowing at least 15 units per acre.

(ii) For unincorporated areas in all nonmetropolitan counties not included in clause (i): sites allowing at least 10 units per acre.

(iii) For suburban jurisdictions: sites allowing at least 20 units per acre.

(iv) For jurisdictions in metropolitan counties: sites allowing at least 30 units per acre.

(d) For purposes of this section, metropolitan counties, nonmetropolitan counties, and nonmetropolitan counties with

micropolitan areas are as determined by the United States Census Bureau. Nonmetropolitan counties with micropolitan areas include the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and such other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) A jurisdiction is considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it is considered metropolitan. Counties, not including the City and County of San Francisco, will be considered suburban unless they are in a MSA of 2,000,000 or greater in population in which case they are considered metropolitan.

(f) A jurisdiction is considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in a MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it is considered suburban.

(g) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c) and at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c). At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed-uses are not permitted.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

(b) The department, in consultation with each council of governments, 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. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 with the advice of the department.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall be consistent with all 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, and the encouragement of efficient development patterns.

(3) Promoting an improved intraregional relationship between jobs and housing.

(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 decennial United States census.

(e) For purposes of this section, "household income levels" are as determined by the department as of the most recent decennial census pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code.

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.

(4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.

(f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

65584.01. (a) For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(b) The department's 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. If the total regional population forecast for the planning period, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 3 percent of the total regional population forecast for the planning period over the same time period by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region. If the difference between the total population growth projected by the council of governments and the total population growth projected for the region by the Department of Finance is greater than 3 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If no agreement

is reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(c) (1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. 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 rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(D) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs.

(E) Other characteristics of the composition of the projected population.

(F) The relationship between jobs and housing, including any imbalance between jobs and housing.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (F), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments.

(d) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (c). The region's existing and projected housing need 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. Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (b), and shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (c). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (c), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (c).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and 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.

65584.02. (a) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the existing and projected need for housing may be determined for each region by the department as follows, as an alternative to the process pursuant to Section 65584.01:

(1) In a region in which at least one subregion has accepted delegated authority pursuant to Section 65584.03, the region's housing need shall be determined at least 26 months prior to the housing element update deadline pursuant to Section 65588. In a region in which no subregion has accepted delegation pursuant to Section 65584.03, the region's housing need shall be determined at

least 24 months prior to the housing element deadline.

(2) At least six months prior to the department's determination of regional housing need pursuant to paragraph (1), a council of governments may request the use of population and household forecast assumptions used in the regional transportation plan. This request shall include all of the following:

(A) Proposed data and assumptions for factors contributing to housing need beyond household growth identified in the forecast. These factors shall include allowance for vacant or replacement units, and may include other adjustment factors.

(B) A proposed planning period that is not longer than the period of time covered by the regional transportation improvement plan or plans of the region pursuant to Section 14527, but a period not less than five years, and not longer than six years.

(C) A comparison between the population and household assumptions used for the Regional Transportation Plan with population and household estimates and projections of the Department of Finance.

(b) The department shall consult with the council of governments regarding requests submitted pursuant to paragraph (2) of subdivision (a). The department may seek advice and consult with the Demographic Research Unit of the Department of Finance, the State Department of Transportation, a representative of a contiguous council of governments, and any other party as deemed necessary. The department may request that the council of governments revise data, assumptions, or methodology to be used for the determination of regional housing need, or may reject the request submitted pursuant to paragraph (2) of subdivision (a). Subsequent to consultation with the council of governments, the department will respond in writing to requests submitted pursuant to paragraph (1) of subdivision (a).

(c) If the council of governments does not submit a request pursuant to subdivision (a), or if the department rejects the request of the council of governments, the determination for the region shall be made pursuant to Sections 65584 and 65584.01.

65584.03. (a) At least 28 months prior to the scheduled housing element update required by Section 65588, at least two or more cities and a county, or counties, may form a subregional entity for the purpose of allocation of the subregion's existing and projected need for housing among its members in accordance with the allocation methodology established pursuant to Section 65584.04. The purpose of establishing a subregion shall be to recognize the community of interest and mutual challenges and opportunities for providing housing within a subregion. A subregion formed pursuant to this section may include a single county and each of the cities in that county or any other combination of geographically contiguous local governments and shall be approved by the adoption of a resolution by each of the local governments in the subregion as well as by the council of governments. All decisions of the subregion shall be approved by vote as provided for in rules adopted by the local governments comprising the subregion or shall be approved by vote of the county or counties, if any, and the majority of the cities with the majority of population within a county or counties.

(b) Upon formation of the subregional entity, the entity shall notify the council of governments of this formation. If the council of governments has not received notification from an eligible subregional entity at least 28 months prior to the scheduled housing element update required by Section 65588, the council of governments shall implement the provisions of Sections 65584 and 65584.04. The delegate subregion and the council of governments shall enter into an agreement that sets forth the process, timing, and other terms and conditions of the delegation of responsibility by the council of governments to the subregion.

(c) At least 25 months prior to the scheduled revision, the council of governments shall determine the share of regional housing need assigned to each delegate subregion. The share or shares allocated to the delegate subregion or subregions by a council of governments shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan. Prior to allocating the regional housing needs to any delegate subregion or subregions, the council of governments shall hold at least one public hearing, and may consider requests for revision of the proposed allocation to a subregion. If a proposed revision is rejected, the council of governments shall respond with a written explanation of why the proposed revised share has not been accepted.

(d) Each delegate subregion shall fully allocate its share of the regional housing need to local governments within its subregion. If a delegate subregion fails to complete the regional housing need allocation process among its member jurisdictions in a manner

consistent with this article and with the delegation agreement between the subregion and the council of governments, the allocations to member jurisdictions shall be made by the council of governments.

65584.04. (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in subdivision (d) of Section 65584.

(b) (1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).

(2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.

(3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).

(c) 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. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship.

(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.

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

(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) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) 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.

(7) High-housing cost burdens.

(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) Any other factors adopted by the council of governments.

(e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section 65584. The methodology may include numerical weighting.

(f) 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 shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section 65584.05.

(h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

(i) (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.

(2) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low- and very low income households.

(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.

65584.05. (a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, based on the methodology adopted pursuant to Section 65584.04. The draft allocation shall include the underlying data and methodology on which the allocation is based. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section 65584.03.



(b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

(c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section 65584.04, why the proposed revision is inconsistent with the regional housing need.

(d) If the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government may appeal its draft allocation based upon either or both of the following criteria:

(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, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

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

(e) The council of governments or delegate subregion, as applicable, shall conduct public hearings to hear all appeals within 60 days after the date established to file appeals. The local government shall be notified within 10 days by certified mail, return receipt requested, of at least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days after the date of the notification. Before taking action on an appeal, the council of governments or delegate subregion, as applicable, shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the council of governments or delegate subregion, as applicable, on an appeal shall be in writing and shall include information and other evidence explaining how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the allocation of a local government that is not the subject of an appeal.

(f) The council of governments or delegate subregion, as applicable, shall issue a proposed final allocation within 45 days after the completion of the 60-day period for hearing appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.

(g) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the revision request process and the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the council of governments shall include the alternative distribution in the final allocation plan.

(h) Within 45 days after the issuance of the proposed final allocation plan by the council of governments and each delegate

subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. The council of governments shall submit its final allocation plan to the department within three days of adoption. Within 60 days after the department's receipt of the final allocation plan adopted by the council of governments, the department shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

65584.06. (a) For cities and counties without a council of governments, the department shall determine and distribute the existing and projected housing need, in accordance with Section 65584 and this section. If the department determines that a county or counties, supported by a resolution adopted by the board or boards of supervisors, and a majority of cities within the county or counties representing a majority of the population of the county or counties, possess the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the distribution of the regional housing need, the department shall delegate this responsibility to the cities and county or counties.

(b) The distribution of regional housing need shall, based upon available data and in consultation with the cities and counties, take into consideration market demand for housing, the distribution of household growth within the county assumed in the regional transportation plan where applicable, employment opportunities and commuting patterns, the availability of suitable sites and public facilities, agreements between a county and cities in a county to direct growth toward incorporated areas of the county, or other considerations as may be requested by the affected cities or counties and agreed to by the department. As part of the allocation of the regional housing need, the department shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. Consideration of suitable housing sites or land suitable for urban development is not limited to existing zoning ordinances and land use restrictions of a locality, but shall include consideration of 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) Within 90 days following the department's determination of a draft distribution of the regional housing need to the cities and the county, a city or county may propose to revise the determination of its share of the regional housing need in accordance with criteria set forth in the draft distribution. The proposed revised share shall be based upon comparable data available for all affected jurisdictions, and accepted planning methodology, and shall be supported by adequate documentation.

(d) (1) Within 60 days after the end of the 90-day time period for the revision by the cities or county, the department shall accept the proposed revision, modify its earlier determination, or indicate why the proposed revision is inconsistent with the regional housing need.

(2) If the department does not accept the proposed revision, then, within 30 days, the city or county may request a public hearing to review the determination.

(3) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(4) The date of the hearing shall be at least 10 but not more than 15 days from the date of the notification.

(5) Before making its final determination, the department shall consider all comments received and shall include a written response to each request for revision received from a city or county.

(e) If the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the department grants a revised allocation pursuant to subdivision (d), the department shall ensure that the total regional housing need is maintained. The department's final determination shall be in writing and shall include information explaining how its action is consistent with this section. If the department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share that was originally determined by the department. The department, within its final determination, may adjust the allocation of a city or county that was not the subject of a request for revision of the draft distribution.

(f) The department shall issue a final regional housing need allocation for all cities and counties within 45 days of the completion of the local review period.

65584.07. (a) During the period between adoption of a final regional housing needs allocation and the due date of the housing element update under Section 65588, the council of governments, or the department, whichever assigned the county's share, shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(1) One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction.

(2) The transfer of shares shall only occur between a county and cities within that county.

(3) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(4) The council of governments or the department, whichever assigned the county's share, shall approve the proposed reduction, if it determines that the conditions set forth in paragraphs (1), (2), and (3) above have been satisfied. The county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision to the council of governments or the department. The council of governments shall submit a copy of its decision regarding the proposed reduction to the department.

(b) (1) The county and cities that have executed transfers of regional housing needs pursuant to subdivision (a) shall use the revised regional housing need allocation in their housing elements and shall adopt their housing elements by the deadlines set forth in Section 65588.

(2) A city that has received a transfer of a regional housing need pursuant to subdivision (c) shall adopt or amend its housing element within 30 months of the effective date of incorporation.

(3) A county or city that has received a transfer of regional housing need pursuant to subdivision (d) shall amend its housing element within 180 days of the effective date of the transfer.

(4) A county or city is responsible for identifying sites to accommodate its revised regional housing need by the deadlines set forth in paragraphs (1), (2), and (3).

(5) All materials and data used to justify any revision shall be made available upon request to any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship. A fee may be charged to interested parties for any additional costs caused by the amendments made to former subdivision (c) of Section 65584 that reduced from 45 to 7 days the time within which materials and data were required to be made available to interested parties.

(c) (1) If an incorporation of a new city occurs after the council of governments, subregional entity, or the department for areas with no council of governments, has made its final allocation under Section 65584.03, 65584.04, 65584.06, or 65584.08, a portion of the county's allocation shall be transferred to the new city. The city and county may reach a mutually acceptable agreement for transfer of a portion of the county's allocation to the city, which shall be accepted by the council of governments, subregional entity, or the department, whichever allocated the county's share. If the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the council of governments, subregional entity, or to the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and determine the number of units, by income category, that should be transferred from the county's allocation to the new city.

(2) Within 90 days after the date of incorporation, either the transfer, by income category, agreed upon by the city and county, or a written request for a transfer, shall be submitted to the council

of governments, subregional entity, or to the department, whichever allocated the county's share. A mutually acceptable transfer agreement shall be effective immediately upon receipt by the council of governments, the subregional entity, or the department. A copy of a written transfer request submitted to the council of governments shall be submitted to the department. The council of governments, subregional entity, or the department, whichever allocated the county's share, shall make the transfer effective within 180 days after receipt of the written request. If the council of governments allocated the county's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.04 or 65584.08. If the subregional entity allocated the subregion's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.03. If the department allocated the county's share, the transfer shall be based on the considerations specified in Section 65584.06. The transfer shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities by the council of governments, subregional entity, or the department. A copy of the transfer finalized by the council of governments or subregional entity shall be submitted to the department. The council of governments, the subregional entity, or the department, as appropriate, may extend the 90-day deadline if it determines an extension is consistent with the objectives of this article.

(d) (1) If an annexation of unincorporated land to a city occurs after the council of governments, subregional entity, or the department for areas with no council of governments, has made its final allocation under Section 65584.03, 65584.04, 65584.06, or 65584.08, a portion of the county's allocation may be transferred to the city. The city and county may reach a mutually acceptable agreement for transfer of a portion of the county's allocation to the city, which shall be accepted by the council of governments, subregional entity, or the department, whichever allocated the county's share. If the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the council of governments, subregional entity, or to the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and determine the number of units, by income category, that should be transferred from the county's allocation to the city.

(2) (A) Except as provided under subparagraph (B), within 90 days after the date of annexation, either the transfer, by income category, agreed upon by the city and county, or a written request for a transfer, shall be submitted to the council of governments, subregional entity, and to the department. A mutually acceptable transfer agreement shall be effective immediately upon receipt by the council of governments, the subregional entity, or the department. The council of governments, subregional entity, or the department for areas with no council of governments, shall make the transfer effective within 180 days after receipt of the written request. If the council of governments allocated the county's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.04 or 65584.08. If the subregional entity allocated the subregion's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.03. If the department allocated the county's share, the transfer shall be based on the considerations specified in Section 65584.06. The transfer shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities by the council of governments, subregional entity, or the department for areas with no council of governments. A copy of the transfer finalized by the council of governments or subregional entity shall be submitted to the department. The council of governments, the subregional entity, or the department, as appropriate, may extend the 90-day deadline if it determines an extension is consistent with the objectives of this article.

(B) If the annexed land is subject to a development agreement authorized under subdivision (b) of Section 65865 that was entered into by a city and a landowner prior to January 1, 2008, the revised determination shall be based upon the number of units allowed by the development agreement.

(3) A transfer shall not be made when the council of governments or the department, as applicable, confirms that the annexed land was fully incorporated into the methodology used to allocate the city's share of the regional housing needs.

65584.08. (a) For the purposes of this section the "association" is the Southern California Association of Governments.

(b) For the fourth revision of the housing element pursuant to Section 65588 within the region of the association, the existing and

projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

(c) The existing and projected housing need for the region shall be determined in the following manner:

(1) The association shall develop an integrated long-term growth forecast by five-year increments. The growth forecast is not a regional housing needs allocation plan.

(2) The forecast shall consist of the following three major variables by geographic area throughout the region:

(A) Population.

(B) Employment.

(C) Households.

(3) The association shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates, by weighing vacancy rates of for-sale and for-rent units.

(4) The association shall transmit the forecast to the department with the following variables:

(A) Population.

(B) Employment.

(C) Households.

(D) Housing units.

(E) Household formation ratios.

(F) Replacement rates.

(G) Owner and renter vacancy rates.

(5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) of, and with subdivision (d) of, Section 65584.01.

(d) The association shall conduct a public workshop for the purpose of surveying its member jurisdictions pursuant to subdivision (b) of Section 65584.04. Not less than 30 days prior to the date of commencement of the public workshop, the association shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for consideration by the association and incorporation into the discussion of the methodology at the workshop.

(e) The association shall delegate development of the housing need allocation plan to the subregional entities, if the association and the subregional entities agree in writing to that delegation and the association ensures that the total regional housing need, by income category, is maintained.

(f) The association shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the methodology, including the factors, by which housing needs are proposed to be allocated to subregions, or, in the absence of a subregion, to individual jurisdictions. The workshops shall also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the association on local conditions and factors. Following the workshops, and concurrent with the adoption of its draft housing allocation plan, the association shall describe the following:

(1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.

(2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.

(3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.

(g) Following the adoption of the draft housing allocation plan, a local government may request from the association or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in subdivision (d) of Section 65584.04, including any information submitted by the local government pursuant to subdivision (d). The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and shall be supported by adequate documentation. The association or delegate subregion, as applicable, shall establish a timeline for accepting and reviewing revision requests. However, revision requests shall not be accepted after the deadline for filing an appeal pursuant to subdivision (i). The association or delegate subregion shall respond to the request in writing no later than the close of the appeal process, and shall describe the rationale for its decision.

(h) Both the methodology and allocation process shall consider the factors listed under subdivision (d) of Section 65584.04 and promote the goals and objectives of subdivision (d) of Section 65584 and the

regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The association shall complete the final housing need allocation plan on or before June 30, 2007. It is the intent of the Legislature that the housing element update deadlines, as required under Section 65588, and as modified by the department under paragraph (2) of subdivision (a) of Section 65584.02, will not be extended. The association shall submit a report to the Legislature on or before March 30, 2007, describing the progress it has made in completing the final need allocation plan.

(i) A city or county may file one appeal of its draft allocation to the association, or a delegate subregion, pursuant to subdivision (e) of Section 65584.05, based upon any of the following criteria:

(1) The association or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (d), or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The association or delegate subregion, as applicable, failed to determine the local government's share of the regional housing need in accordance with the information described in, and the methodology established pursuant to subdivision (f).

(j) A city or county shall not be allowed to file more than one appeal under subdivision (i), and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05.

(k) The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.

(1) The final allocation plan adopted by the association shall ensure that the total regional housing need, by income category, as determined under subdivision (c), is maintained. The resolution adopted by the association approving the final housing need allocation plan shall show how the plan:

(1) Is consistent with the objectives of this section and article.

(2) Is consistent with the pending update of the regional transportation plan.

(3) Takes into account the information provided to the association by its member jurisdictions and members of the public pursuant to subdivisions (d) and (f). (m) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

65584.09. (a) For housing elements due pursuant to Section 65588 on or after January 1, 2006, if a city or county in the prior planning period failed to identify or make available adequate sites to accommodate that portion of the regional housing need allocated pursuant to Section 65584, then the city or county shall, within the first year of the planning period of the new housing element, zone or rezone adequate sites to accommodate the unaccommodated portion of the regional housing need allocation from the prior planning period.

(b) The requirements under subdivision (a) shall be in addition to any zoning or rezoning required to accommodate the jurisdiction's share of the regional housing need pursuant to Section 65584 for the new planning period.

(c) Nothing in this section shall be construed to diminish the requirement of a city or county to accommodate its share of the regional housing need for each income level during the planning period set forth in Section 65588, including the obligations to (1) implement programs included pursuant to Section 65583 to achieve the goals and objectives, including programs to zone or rezone land, and (2) timely adopt a housing element with an inventory described in paragraph (3) of subdivision (a) of Section 65583 and a program to make sites available pursuant to paragraph (1) of subdivision (c) of Section 65583, which can accommodate the jurisdiction's share of the regional housing need.

65584.1. Councils of government may charge a fee to local governments to cover the projected reasonable, actual costs of the council in distributing regional housing needs pursuant to this article. Any fee shall not exceed the estimated amount required to implement its obligations pursuant to Sections 65584, 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, and 65584.07. A city, county, or city and county may charge a fee, not to exceed the amount charged in the aggregate to the city, county, or city and county by the council of governments, to reimburse it for the cost of the fee charged by the council of government to cover the council's actual costs in distributing regional housing needs. The legislative body of

the city, county, or city and county shall impose the fee pursuant to Section 66016, except that if the fee creates revenue in excess of actual costs, those revenues shall be refunded to the payers of the fee.

65584.2. A local government may, but is not required to, conduct a review or appeal regarding allocation data provided by the department or the council of governments pertaining the locality's share of the regional housing need or the submittal of data or information for a proposed allocation, as permitted by this article.

65584.3. (a) A city that is incorporated to promote commerce and industry, that is located in the County of Los Angeles, and that has no residentially zoned land within its boundaries on January 1, 1992, may elect to adopt a housing element that makes no provision for new housing or the share of regional housing needs as determined pursuant to Section 65584 for the current and subsequent revisions of the housing element pursuant to Section 65588, for the period of time that 20 percent of all tax increment revenue accruing from all redevelopment projects, and required to be set aside for low- and moderate-income housing pursuant to Section 33334.2 of the Health and Safety Code, is annually transferred to the Housing Authority of the County of Los Angeles.

(b) (1) The amount of tax increment to be transferred each year pursuant to subdivision (a) shall be determined at the end of each fiscal year, commencing with the 1992-93 fiscal year. This amount shall be transferred within 30 days of the agency receiving each installment of its allocation of tax increment moneys, commencing in 1993.

(2) On or before December 31, 1992, the agency shall make an additional payment to the Housing Authority of the County of Los Angeles that eliminates any indebtedness to the low- and moderate-income housing fund pursuant to Section 33334.3. This amount shall be reduced by any amount actually expended by the redevelopment agency for principal or interest payments on agency bonds issued prior to the effective date of the act that adds this section, when that portion of the agency's tax increment revenue representing the low- and moderate-income housing set-aside funds was lawfully pledged as security for the bonds, and only to the extent that other tax increment revenue in excess of the 20-percent low- and moderate-income set-aside funds is insufficient in that fiscal year to meet in full the principal and interest payments.

(c) The Department of Housing and Community Development shall annually review the calculation and determination of the amount transferred pursuant to subdivisions (a) and (b). The department may conduct an audit of these funds if and when the Director of Housing and Community Development deems an audit appropriate.

(d) The amount transferred pursuant to subdivisions (a) and (b) shall fulfill the obligation of that city's redevelopment agency to provide for housing for low- and moderate-income families and individuals pursuant to Sections 33334.2 to 33334.16, inclusive, of the Health and Safety Code. The use of these funds for low- and moderate-income families in the region of the Southern California Association of Governments within which the city is located shall be deemed to be of benefit to the city's redevelopment project areas.

(e) (1) The amount transferred pursuant to subdivisions (a) and (b) to the Housing Authority of the County of Los Angeles shall be expended to provide housing and assistance, including, but not limited to, that specified in subdivision (e) of Section 33334.2 of the Health and Safety Code for low- and moderate-income families and individuals, in the region of the Southern California Association of Governments within which the city is located.

(2) Funds expended pursuant to this subdivision shall be expended in accordance with all of the following:

(A) The funds shall be expended for the construction of low- and moderate-income housing located no further than 15 miles from the nearest boundary line of the City of Industry.

(B) The low- and moderate-income housing constructed pursuant to this subdivision shall be in addition to any other housing required by the housing element of the general plan of the jurisdiction in which the low- and moderate-income housing is constructed.

(C) Funds may be encumbered by the Housing Authority of the County of Los Angeles for the purposes of this subdivision only after the authority has prepared a written plan for the expenditure of funds to be transferred to the authority pursuant to this subdivision and has filed a copy of this expenditure plan with the Department of Housing and Community Development.

(f) A city that meets the conditions specified in subdivision (d) shall continue to have responsibility for preparing a housing element pursuant to Section 65583 only to the extent to which the assessment of housing needs, statement of goals and objectives, and the five-year schedule of actions relate to the city's plan to maintain, preserve, and improve the housing that exists in the city on the effective date of the act which adds this section.

(g) This section shall not become operative unless and until a parcel of land, to be dedicated for the construction of a high school, is transferred pursuant to a written agreement between the City of Industry and the Pomona Unified School District, and a copy of this agreement is filed with the County Clerk of the County of Los Angeles.

65584.6. (a) The County of Napa may, during its current housing element planning period, identified in Section 65588, meet up to 15 percent of its existing share of the regional housing need for lower income households, as defined in Section 65584, by committing funds for the purpose of constructing affordable housing units, and constructing those units in one or more cities within the county, only after all of the following conditions are met:

(1) An agreement has been executed between the county and the receiving city or cities, following a public hearing held by the county and the receiving city or cities to solicit public comments on the draft agreement. The agreement shall contain information sufficient to demonstrate that the county and city or cities have complied with the requirements of this section and shall also include the following:

(A) A plan and schedule for timely construction of dwelling units.

(B) Site identification by street address for the units to be developed.

(C) A statement either that the sites upon which the units will be developed were identified in the receiving city's housing element as potential sites for the development of housing for lower-income households, or that the units will be developed on previously unidentified sites.

(D) The number and percentage of the county's lower-income housing needs previously transferred, for the appropriate planning period, pursuant to this section.

(2) The council of governments that assigned the county's share receives and approves each proposed agreement to meet a portion of the county's fair share housing allocation within one or more of the cities within the county after taking into consideration the criteria of subdivision (a) of Section 65584. If the council of governments fails to take action to approve or disapprove an agreement between the county and the receiving city or cities within 45 days following the receipt of the agreement, the agreement shall be deemed approved.

(3) The city or cities in which the units are developed agree not to count the units towards their share of the region's affordable housing need.

(4) The county and the receiving city or cities, based on substantial evidence on the record, make the following findings:

(A) Adequate sites with appropriate zoning exist in the receiving city or cities to accommodate the units to be developed pursuant to this section. The agreement shall demonstrate that the city or cities have identified sufficient vacant or underutilized or vacant and underutilized sites in their housing elements to meet their existing share of regional housing need, as allocated by the council of governments pursuant to subdivision (a) of Section 65584, in addition to the sites needed to construct the units pursuant to this section.

(B) If needed, additional subsidy or financing for the construction of the units is available.

(C) The receiving city or cities have housing elements that have been found by the Department of Housing and Community Development to be in compliance with this article.

(5) If the sites upon which units are to be developed pursuant to this section were previously identified in the receiving city's housing element as potential sites for the development of housing sufficient to accommodate the receiving city's share of the lower income household need identified in its housing element, then the receiving city shall have amended its housing element to identify replacement sites by street address for housing for lower-income households. Additionally, the Department of Housing and Community Development shall have received and reviewed the amendment and found that the city's housing element continues to comply with this article.

(6) The county and receiving city or cities shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.



(7) For a period of five years after a transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer agreement, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements.

(8) The receiving city demonstrates that it has met, in the current or previous housing element cycle, at least 20 percent of its share of the regional need for housing for very low-income households allocated to the city pursuant to Section 65584.

(b) The credit that the county receives pursuant to this section shall not exceed 40 percent of the number of units that are affordable to lower income households and constructed and occupied during the same housing element cycle in unincorporated areas of the county. The county shall only receive the credit after the units have been constructed and occupied. Within 60 days of issuance of a certificate of occupancy for the units, the county shall inform the council of governments and the department in writing that a certificate of occupancy has been issued.

(c) Concurrent with the review by the council of governments prescribed by this section, the Department of Housing and Community Development shall evaluate the agreement to determine whether the city or cities are in substantial compliance with this section. The department shall report the results of its evaluation to the county and city or cities for inclusion in their record of compliance with this section.

(d) If at the end of the five-year period identified in subdivision (c) of Section 65583, any percentage of the regional share allocation has not been constructed as provided pursuant to subdivision (a), or, after consultation with the department, the council of governments determines that the requirements of paragraphs (5) and (7) of subdivision (a) have not been substantially complied with, the council of governments shall add the unbuilt units to Napa County's regional share allocation for the planning period of the next periodic update of the housing element.

(e) Napa County shall not meet a percentage of its share of the regional share pursuant to subdivision (a) on or after June 30, 2007, unless a later enacted statute, that is enacted before June 30, 2007, deletes or extends that date.

65584.7. (a) The Legislature finds and declares all of the following:

(1) Accurate and current data to estimate housing needs is necessary to ensure that state, regional, and local agencies plan effectively.

(2) The Department of Finance, which is charged with providing demographic data to aid effective state and local planning and policymaking, released updated population projections for the state on July 9, 2007.

(3) The updated projections released by the Department of Finance represent a decline of over 30 percent from the prior projection in the near-term population growth for the area within the regional jurisdiction of the Sacramento Area Council of Governments.

(4) Authorizing the department to adjust its regional housing needs determination for the Sacramento Area Council of Governments region is allowed only because a substantially different projection was released by the Department of Finance prior to the adoption of the Sacramento Area Council of Governments' final regional housing need allocation plan, and will not alter the schedule for its adoption.

(b) (1) Consistent with the revised population projections released by the Department of Finance on July 9, 2007, the department, for the fourth revision of the housing element pursuant to Section 65588, and prior to the adoption of the final regional housing need allocation plan by the Sacramento Area Council of Governments, may revise its regional housing need determination for the Sacramento Area Council of Governments. The revised determination by the department shall be consistent with the current population projections of the Department of Finance and with the methodology used for the initial determination for the region.

(2) The revision of the regional housing need determination shall not extend the time for, or reinstate any right to, an appeal, request for revision, or public comment or consultation period established pursuant to this article with respect to the determination of the regional housing need and the allocation to local government members of the Sacramento Area Council of Governments.

(3) This section does not change or modify the deadline established in Section 65588 by which local governments within

Sacramento Area Council of Governments are required to adopt revised housing elements.

(c) This section is not intended to change or modify the deadlines in Sections 65584.01 to 65584.08, inclusive.(d) This section shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

65585. (a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) At least 90 days prior to adoption of its housing element, or at least 60 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department. The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 60 days of its receipt in the case of a draft amendment.

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with the requirements of this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with the requirements of this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with the requirements of this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with the requirements of this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

65585.2. Notwithstanding any other provision of law, any city or county that has a housing element that has been self-certified pursuant to the requirements of Section 65585.1 shall be considered to be fully eligible to participate in any program created by, or receiving funds through, the Housing and Emergency Shelter Trust Fund Act of 2002 in an identical manner and to the same degree, as those local jurisdictions deemed in substantial compliance with the requirements of this article by the Department of Housing and Community Development pursuant to Section 65585.

65587. (a) Each city, county, or city and county shall bring its housing element, as required by subdivision (c) of Section 65302, into conformity with the requirements of this article on or before October 1, 1981, and the deadlines set by Section 65588. Except as specifically provided in subdivision (b) of Section 65361, the Director of Planning and Research shall not grant an extension of time from these requirements.

(b) Any action brought by any interested party to review the conformity with the provisions of this article of any housing element or portion thereof or revision thereto shall be brought pursuant to Section 1085 of the Code of Civil Procedure; the court's review of compliance with the provisions of this article shall extend to whether the housing element or portion thereof or revision thereto

substantially complies with the requirements of this article.

(c) If a court finds that an action of a city, county, or city and county, which is required to be consistent with its general plan, does not comply with its housing element, the city, county, or city and county shall bring its action into compliance within 60 days. However, the court shall retain jurisdiction throughout the period for compliance to enforce its decision. Upon the court's determination that the 60-day period for compliance would place an undue hardship on the city, county, or city and county, the court may extend the time period for compliance by an additional 60 days.

(d) (1) If a court finds that a city, county, or city and county failed to complete the rezoning required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583, as that deadline may be modified by the extension provided for in subdivision (f) of that section, the court shall issue an order or judgment, after considering the equities of the circumstances presented by all parties, compelling the local government to complete the rezoning within 60 days or the earliest time consistent with public hearing notice requirements in existence at the time the action was filed. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment is not carried out, the court shall issue further orders to ensure that the purposes and policies of this article are fulfilled, including ordering, after considering the equities of the circumstances presented by all parties, that any rezoning required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 be completed within 60 days or the earliest time consistent with public hearing notice requirements in existence at the time the action was filed and may impose sanctions on the city, county, or city and county.

(2) Any interested person may bring an action to compel compliance with the deadlines and requirements of paragraphs (1), (2), and (3) of subdivision (c) of Section 65583. The action shall be brought pursuant to Section 1085 of the Code of Civil Procedure. An action may be brought pursuant to the notice and accrual provisions of subdivision (d) of Section 65009. In any such action, the city, county, or city and county shall bear the burden of proof.

65588. (a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

(1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

(3) The progress of the city, county, or city and county in implementation of the housing element.

(b) The housing element shall be revised as appropriate, but no less often than required by subdivision (e), to reflect the results of this periodic review. Nothing in this section shall be construed to excuse the obligations of the local government to adopt a revised housing element in accordance with the schedule specified in this section.

(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing provided or required pursuant to Section 65590.

(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

(1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.

(2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the coastal zone.

(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

(e) Each city, county, and city and county shall revise its housing element according to the following schedule:

(1) (A) Local governments within the regional jurisdiction of the Southern California Association of Governments: June 30, 2006, for the fourth revision.

(B) Local governments within the regional jurisdiction of the Association of Bay Area Governments: June 30, 2007, for the fourth revision.

(C) Local governments within the regional jurisdiction of the Council of Fresno County Governments, the Kern County Council of Governments, and the Sacramento Area Council of Governments: June 30, 2002, for the third revision, and June 30, 2008, for the fourth revision.

(D) Local governments within the regional jurisdiction of the Association of Monterey Bay Area Governments: December 31, 2002, for the third revision, and June 30, 2009, for the fourth revision.

(E) Local governments within the regional jurisdiction of the San Diego Association of Governments: June 30, 2005, for the fourth revision.

(F) All other local governments: December 31, 2003, for the third revision, and June 30, 2009, for the fourth revision.

(2) (A) All local governments within a metropolitan planning organization in a region classified as nonattainment for one or more pollutants regulated by the federal Clean Air Act (42 U.S.C. Sec. 7506), except those within the regional jurisdiction of the San Diego Association of Governments, shall adopt the fifth revision of the housing element no later than 18 months after adoption of the first regional transportation plan to be adopted after September 30, 2010.

(B) (i) All local governments within the regional jurisdiction of the San Diego Association of Governments shall adopt the fifth revision of the housing element no later than 18 months after adoption of the first regional transportation plan update to be adopted after September 30, 2010.

(ii) Prior to or concurrent with the adoption of the fifth revision of the housing element, each local government within the regional jurisdiction of the San Diego Association of Governments shall identify adequate sites in its inventory pursuant to Section 65583.2 or rezone adequate sites to accommodate a prorated portion of its share of the regional housing need for the projection period representing the period from July 1, 2010, to the deadline for housing element adoption described in clause (i).

(I) For the fifth revision, a local government within the jurisdiction of the San Diego Association of Governments that has not adopted a housing element for the fourth revision by January 1, 2009, shall revise its housing element not less than every four years, beginning on the date described in clause (i), in accordance with paragraph (4), unless the local government does both of the following:

(ia) Adopts a housing element for the fourth revision no later than March 31, 2010, which is in substantial compliance with this article.

(ib) Completes any rezoning contained in the housing element program for the fourth revision by June 30, 2010.

(II) For the sixth and subsequent revisions, a local government within the jurisdiction of the San Diego Association of Governments shall be subject to the dates described in clause (i), in accordance with paragraph (4).

(C) All local governments within the regional jurisdiction of a metropolitan planning organization or a regional transportation planning agency that has made an election pursuant to subparagraph (L) of paragraph (2) of subdivision (b) of Section 65080 by June 1, 2009, shall adopt the fifth revision of the housing element no later than 18 months after adoption of the first regional transportation plan update following the election.

(D) All other local governments shall adopt the fifth revision of the housing element five years after the date specified in paragraph (1).

(3) Subsequent revisions of the housing element shall be due as follows:

(A) For local governments described in subparagraphs (A), (B), and (C) of paragraph (2), 18 months after adoption of every second regional transportation plan update, provided that the deadline for adoption is no more than eight years later than the deadline for adoption of the previous eight-year housing element.

(B) For all other local governments, at five-year intervals after the date specified in subparagraph (D) of paragraph (2).

(C) If a metropolitan planning organization or a regional transportation planning agency subject to the five-year revision interval in subparagraph (B) makes an election pursuant to subparagraph (L) of paragraph (2) of subdivision (b) of Section 65080 after June 1, 2009, all local governments within the regional jurisdiction of that entity shall adopt the next housing element revision no later than 18 months after adoption of the first regional

transportation plan update following the election. Subsequent revisions shall be due 18 months after adoption of every second regional transportation plan update, provided that the deadline for adoption is no more than eight years later than the deadline for adoption of the previous eight-year housing element.

(4) (A) A local government that does not adopt a housing element within 120 days of the applicable deadline described in subparagraph (A), (B), or (C) of paragraph (2) or subparagraph (A) or (C) of paragraph (3) shall revise its housing element not less than every four years until the local government has adopted at least two consecutive revisions by the statutory deadline.

(B) If necessary, the local government shall adopt three consecutive four-year revisions by the statutory deadline to ensure that when the local government adopts its next housing element covering an eight-year planning period, it does so at the deadline for adoption for other local governments within the region also covering an eight-year planning period.

(C) The deadline for adoption of every second four-year revision shall be the same as the deadline for adoption for other local governments within the region.

(5) The metropolitan planning organization or a regional transportation planning agency for a region that has an eight-year revision interval pursuant to paragraph (3) shall notify the department and the Department of Transportation in writing of the estimated adoption date for its next regional transportation plan update at least 12 months prior to the estimated adoption date. The Department of Transportation shall maintain and publish on its Internet Web site a current schedule of the estimated regional transportation plan adoption dates. The department shall maintain and publish on its Internet Web site a current schedule of the estimated and actual housing element due dates. Each council of governments shall publish on its Internet Web site the estimated and actual housing element due dates, as published by the department, for the jurisdictions within its region and shall send notice of these dates to interested parties. For purposes of determining the existing and projected need for housing within a region pursuant to Sections 65584 to 65584.08, inclusive, the date of the next scheduled revision of the housing element shall be deemed to be the estimated adoption date of the regional transportation plan update described in the notice provided to the Department of Transportation plus 18 months.

(6) The new projection period shall begin on the date of December 31 or June 30 that most closely precedes the end of the previous projection period.

(f) For purposes of this article, the following terms have the following meanings:

(1) "Planning period" shall be the time period between the due date for one housing element and the due date for the next housing element.

(2) "Projection period" shall be the time period for which the regional housing need is calculated.

(g) For purposes of this section, "regional transportation plan update" shall mean a regional transportation plan adopted to satisfy the requirements of subdivision (d) of Section 65080.

65589. (a) Nothing in this article shall require a city, county, or city and county to do any of the following:

(1) Expend local revenues for the construction of housing, housing subsidies, or land acquisition.

(2) Disapprove any residential development which is consistent with the general plan.

(b) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government to impose rent controls or restrictions on the sale of real property.

(c) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government with respect to measures that may be undertaken or required by a local government to be undertaken to implement the housing element of the local general plan.

(d) The provisions of this article shall be construed consistent with, and in promotion of, the statewide goal of a sufficient supply of decent housing to meet the needs of all Californians.

65589.3. In any action filed on or after January 1, 1991, taken to challenge the validity of a housing element, there shall be a rebuttable presumption of the validity of the element or amendment if, pursuant to Section 65585, the department has found that the

element or amendment substantially complies with the requirements of this article.

65589.4. (a) An attached housing development shall be a permitted use not subject to a conditional use permit on any parcel zoned for an attached housing development if local law so provides or if it satisfies the requirements of subdivision (b) and either of the following:

(1) The attached housing development satisfies the criteria of Section 21159.22, 21159.23, or 21159.24 of the Public Resources Code.

(2) The attached housing development meets all of the following criteria:

(A) The attached housing development is subject to a discretionary decision other than a conditional use permit and a negative declaration or mitigated negative declaration has been adopted for the attached housing development under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code). If no public hearing is held with respect to the discretionary decision, then the negative declaration or mitigated negative declaration for the attached housing development may be adopted only after a public hearing to receive comments on the negative declaration or mitigated negative declaration.

(B) The attached housing development is consistent with both the jurisdiction's zoning ordinance and general plan as it existed on the date the application was deemed complete, except that an attached housing development shall not be deemed to be inconsistent with the zoning designation for the site if that zoning designation is inconsistent with the general plan only because the attached housing development site has not been rezoned to conform with the most recent adopted general plan.

(C) The attached housing development is located in an area that is covered by one of the following documents that has been adopted by the jurisdiction within five years of the date the application for the attached housing development was deemed complete:

(i) A general plan.

(ii) A revision or update to the general plan that includes at least the land use and circulation elements.

(iii) An applicable community plan.

(iv) An applicable specific plan.

(D) The attached housing development consists of not more than 100 residential units with a minimum density of not less than 12 units per acre or a minimum density of not less than eight units per acre if the attached housing development consists of four or fewer units.

(E) The attached housing development is located in an urbanized area as defined in Section 21071 of the Public Resources Code or within a census-defined place with a population density of at least 5,000 persons per square mile or, if the attached housing development consists of 50 or fewer units, within an incorporated city with a population density of at least 2,500 persons per square mile and a total population of at least 25,000 persons.

(F) The attached housing development is located on an infill site as defined in Section 21061.0.5 of the Public Resources Code.

(b) At least 10 percent of the units of the attached housing development shall be available at affordable housing cost to very low income households, as defined in Section 50105 of the Health and Safety Code, or at least 20 percent of the units of the attached housing development shall be available at affordable housing cost to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or at least 50 percent of the units of the attached housing development available at affordable housing cost to moderate-income households, consistent with Section 50052.5 of the Health and Safety Code. The developer of the attached housing development shall provide sufficient legal commitments to the local agency to ensure the continued availability and use of the housing units for very low-, low-, or moderate-income households for a period of at least 30 years.

(c) Nothing in this section shall prohibit a local agency from applying design and site review standards in existence on the date the application was deemed complete.

(d) The provisions of this section are independent of any obligation of a jurisdiction pursuant to subdivision (c) of Section 65583 to identify multifamily sites developable by right.

(e) This section does not apply to the issuance of coastal development permits pursuant to the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code).

(f) This section does not relieve a public agency from complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or relieve an applicant or public agency from complying with the

Subdivision Map Act (Division 2 (commencing with Section 66473)).

(g) This section is applicable to all cities and counties, including charter cities, because the Legislature finds that the lack of affordable housing is of vital statewide importance, and thus a matter of statewide concern.

(h) For purposes of this section, "attached housing development" means a newly constructed or substantially rehabilitated structure containing two or more dwelling units and consisting only of residential units, but does not include a second unit, as defined by paragraph (4) of subdivision (h) of Section 65852.2, or the conversion of an existing structure to condominiums.

65589.5. (a) The Legislature finds and declares all of the following:

(1) The lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California.

(2) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

(3) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing projects, reduction in density of housing projects, and excessive standards for housing projects.

(b) It is the policy of the state that a local government not reject or make infeasible housing developments, including emergency shelters, that contribute to meeting the need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project, including farmworker housing as defined in subdivision (d) of Section 50199.50 of the Health and Safety Code, for very low, low-, or moderate-income households, or an emergency shelter, or condition approval in a manner that renders the project infeasible for development for the use of very low, low-, or moderate-income households, or an emergency shelter, including through the use of design review standards, unless it makes written findings, based upon substantial evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve the project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and definitions that may be adopted by the Department of Housing and Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded the need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. Any disapproval or conditional approval pursuant to this paragraph shall be in accordance with applicable law, rule, or standards.

(2) The development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid

the specific adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

(3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible.

(4) The development project or emergency shelter is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(5) The development project or emergency shelter is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a revised housing element in accordance with Section 65588 that is in substantial compliance with this article.

(A) This paragraph cannot be utilized to disapprove or conditionally approve a housing development project if the development project is proposed on a site that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element, and consistent with the density specified in the housing element, even though it is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation.

(B) If the local agency has failed to identify in the inventory of land in its housing element sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584, then this paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed for a site designated in any element of the general plan for residential uses or designated in any element of the general plan for commercial uses if residential uses are permitted or conditionally permitted within commercial designations. In any action in court, the burden of proof shall be on the local agency to show that its housing element does identify adequate sites with appropriate zoning and development standards and with services and facilities to accommodate the local agency's share of the regional housing need for the very low and low-income categories.

(C) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or zones can accommodate at least one emergency shelter, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the Congestion Management Program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) (1) Nothing in this section shall be construed to prohibit a local agency from requiring the development project to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies



shall be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development.

(2) Nothing in this section shall be construed to prohibit a local agency from requiring an emergency shelter project to comply with objective, quantifiable, written development standards, conditions, and policies that are consistent with paragraph (4) of subdivision (a) of Section 65583 and appropriate to, and consistent with, meeting the jurisdiction's need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. However, the development standards, conditions, and policies shall be applied by the local agency to facilitate and accommodate the development of the emergency shelter project.

(3) This section does not prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the development project or emergency shelter.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing, including emergency shelter, is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) "Housing development project" means a use consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses in which nonresidential uses are limited to neighborhood commercial uses and to the first floor of buildings that are two or more stories. As used in this paragraph, "neighborhood commercial" means small-scale general or specialty stores that furnish goods and services primarily to residents of the neighborhood.

(C) Transitional housing or supportive housing.

(3) "Housing for very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to moderate-income households as defined in Section 50093 of the Health and Safety Code, or middle-income households, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate-income eligibility limits are based.

(4) "Area median income" means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(5) "Disapprove the development project" includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved.

(B) Fails to comply with the time periods specified in subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

(i) If any city, county, or city and county denies approval or imposes restrictions, including design changes, a reduction of allowable densities or the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by substantial evidence in the record.

(j) When a proposed housing development project complies with

applicable, objective general plan and zoning standards and criteria, including design review standards, in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

(1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(k) The applicant or any person who would be eligible to apply for residency in the development or emergency shelter may bring an action to enforce this section. If in any action brought to enforce the provisions of this section, a court finds that the local agency disapproved a project or conditioned its approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section or without making sufficient findings supported by substantial evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the development project or emergency shelter. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner who proposed the housing development or emergency shelter, except under extraordinary circumstances in which the court finds that awarding fees would not further the purposes of this section. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, including, but not limited to, an order to vacate the decision of the local agency, in which case the application for the project, as constituted at the time the local agency took the initial action determined to be in violation of this section, along with any standard conditions determined by the court to be generally imposed by the local agency on similar projects, shall be deemed approved unless the applicant consents to a different decision or action by the local agency.

(l) If the court finds that the local agency (1) acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section and (2) failed to carry out the court's order or judgment within 60 days as described in subdivision (k), the court in addition to any other remedies provided by this section, may impose fines upon the local agency that the local agency shall be required to deposit into a housing trust fund. Fines shall not be paid from funds that are already dedicated for affordable housing, including, but not limited to, redevelopment or low- and moderate-income housing funds and federal HOME and CDBG funds. The local agency shall commit the money in the trust fund within five years for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households. For purposes of this section, "bad faith" shall mean an action that is frivolous or otherwise entirely without merit.

(m) Any action brought to enforce the provisions of this section shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure, and the local agency shall prepare and certify the record of proceedings in accordance with subdivision (c) of Section 1094.6 of the Code of Civil Procedure no later than 30 days after the petition is served, provided that the cost of preparation of the record shall be borne by the local agency. Upon entry of the trial court's order, a party shall, in order to obtain appellate review of the order, file a petition within 20 days after service upon it of a written notice of the entry of the order, or within such further time not exceeding an additional 20 days as the trial court may for good cause allow. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be determined by the court, to the benefit of the plaintiff if the

plaintiff is the project applicant.

(n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

(o) This section shall be known, and may be cited, as the Housing Accountability Act.

65589.6. In any action taken to challenge the validity of a decision by a city, county, or city and county to disapprove a project or approve a project upon the condition that it be developed at a lower density pursuant to Section 65589.5, the city, county, or city and county shall bear the burden of proof that its decision has conformed to all of the conditions specified in Section 65589.5.

65589.7. (a) The housing element adopted by the legislative body and any amendments made to that element shall be immediately delivered to all public agencies or private entities that provide water or sewer services for municipal and industrial uses, including residential, within the territory of the legislative body. Each public agency or private entity providing water or sewer services shall grant a priority for the provision of these services to proposed developments that include housing units affordable to lower income households.

(b) A public agency or private entity providing water or sewer services shall adopt written policies and procedures, not later than July 1, 2006, and at least once every five years thereafter, with specific objective standards for provision of services in conformance with this section. For private water and sewer companies regulated by the Public Utilities Commission, the commission shall adopt written policies and procedures for use by those companies in a manner consistent with this section. The policies and procedures shall take into account all of the following:

(1) Regulations and restrictions adopted pursuant to Chapter 3 (commencing with Section 350) of Division 1 of the Water Code, relating to water shortage emergencies.

(2) The availability of water supplies as determined by the public agency or private entity pursuant to an urban water management plan adopted pursuant to Part 2.6 (commencing with Section 10610) of Division 6 of the Water Code.

(3) Plans, documents, and information relied upon by the public agency or private entity that is not an "urban water supplier," as defined in Section 10617 of the Water Code, or that provides sewer service, that provide a reasonable basis for making service determinations.

(c) A public agency or private entity that provides water or sewer services shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the public agency or private entity makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

(1) The public agency or private entity providing water service does not have "sufficient water supply," as defined in paragraph (2) of subdivision (a) of Section 66473.7, or is operating under a water shortage emergency as defined in Section 350 of the Water Code, or does not have sufficient water treatment or distribution capacity, to serve the needs of the proposed development, as demonstrated by a written engineering analysis and report.

(2) The public agency or private entity providing water service is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections.

(3) The public agency or private entity providing sewer service does not have sufficient treatment or collection capacity, as demonstrated by a written engineering analysis and report on the condition of the treatment or collection works, to serve the needs of the proposed development.

(4) The public agency or private entity providing sewer service is under an order issued by a regional water quality control board that

prohibits new sewer connections.

(5) The applicant has failed to agree to reasonable terms and conditions relating to the provision of service generally applicable to development projects seeking service from the public agency or private entity, including, but not limited to, the requirements of local, state, or federal laws and regulations or payment of a fee or charge imposed pursuant to Section 66013.

(d) The following definitions apply for purposes of this section:

(1) "Proposed developments that include housing units affordable to lower income households" means that dwelling units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or an affordable rent, as defined in Section 50053 of the Health and Safety Code.

(2) "Water or sewer services" means supplying service through a pipe or other constructed conveyance for a residential purpose, and does not include the sale of water for human consumption by a water supplier to another water supplier for resale. As used in this section, "water service" provided by a public agency or private entity applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

(e) This section is intended to neither enlarge nor diminish the existing authority of a city, county, or city and county in adopting a housing element. Failure to deliver a housing element adopted by the legislative body or amendments made to that element, to a public agency or private entity providing water or sewer services shall neither invalidate any action or approval of a development project nor exempt a public agency or private entity from the obligations under this section. The special districts which provide water or sewer services related to development, as defined in subdivision (e) of Section 56426, are included within this section.


(f) The Legislature finds and declares that this section shall be applicable to all cities and counties, including charter cities, because the Legislature finds that the lack of affordable housing is a matter of vital statewide importance.

65589.8. A local government which adopts a requirement in its housing element that a housing development contain a fixed percentage of affordable housing units, shall permit a developer to satisfy all or a portion of that requirement by constructing rental housing at affordable monthly rents, as determined by the local government.

Nothing in this section shall be construed to expand or contract the authority of a local government to adopt an ordinance, charter amendment, or policy requiring that any housing development contain a fixed percentage of affordable housing units.

# REPORT

**DATE:** October 23, 2013  
**TO:** RHNA and Housing Element Reform Subcommittee  
**FROM:** Ma’Ayn Johnson, Senior Regional Planner, 213-236-1975, [Johnson@scag.ca.gov](mailto:Johnson@scag.ca.gov)  
**SUBJECT:** Overview of the 5th Cycle Regional Housing Needs Assessment (RHNA) Process

**EXECUTIVE DIRECTOR’S APPROVAL:** 

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**RECOMMENDED ACTION:**  
For Information Only – No Action Required.

**EXECUTIVE SUMMARY:**  
*The 5th Cycle RHNA process was amended by SB 375 in 2008 as part of the integrated planning process for the development of Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS). This report summarizes the chronology of the 5th Cycle RHNA process and is intended to provide additional background information to the Subcommittee. After an intensive consultation process between SCAG, California Department of Housing and Community Development (HCD), and the Department of Finance (DOF) in August 2011, HCD provided a regional housing need determination for the 5<sup>th</sup> RHNA Cycle. The RHNA Methodology was adopted by the Regional Council in November 2011 and applied to the regional determination from HCD to develop the draft RHNA Allocation, which was distributed in February 2012. The RHNA revision request and appeals processes subsequently followed the draft RHNA Allocation distribution until July 2012. In October 2012, the Regional Council adopted the final RHNA Allocation for the SCAG region.*

**STRATEGIC PLAN:**  
This item supports SCAG’s Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**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. The expressed intent of the Legislature in enacting the RHNA statute was as follows:

- “(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).

With the enactment of SB 375, the RHNA was further amended for coordination and integration with the RTP/SCS. To achieve this goal, the RHNA allocation plan must be consistent with the development pattern of the SCS. As part of this integration, the RHNA was moved to an eight-year cycle from a five-year cycle.

The 5th Cycle RHNA began in May 2009, when SCAG staff began surveying each of the region’s jurisdictions on its population, household, and employment projections as part of a collaborative bottom-up local input process to develop the Integrated Growth Forecast, which would be used for all regional planning efforts including the 2012-2035 RTP/SCS. These surveys continued through August 2011. 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.

Established by the Regional Council on February 3, 2011, 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 2011, SCAG received its RHNA determination from HCD after an intensive consultation process with SCAG and HCD/DOF (including submittal of a comprehensive technical consultation packet prepared by SCAG staff in May 2011). HCD determined a range of housing need of 409,060 – 438,030 units for the SCAG region for the period between January 1, 2014 and October 1, 2021. HCD stated that “[t]his range considered the extraordinary uncertainty regarding national, State, and local economies and housing markets,” and that “[f]or this RHNA cycle only, [HCD] made an adjustment to account for abnormally high vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures.” SCAG was required to maintain the regional total need throughout the RHNA process so that it is within the HCD range and is consistent with SCAG’s Integrated Growth Forecast.

At its August 26, 2011 meeting, 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 the proposed Methodology for distribution on September 1, 2011. During the 60-day public comment period, SCAG met with interested jurisdictions and stakeholders to present the process, answer questions, and collect input in addition to holding public hearings to receive verbal and written comments on the proposed Methodology. After the close of the public comment period, on November 3, 2011, the Regional Council adopted the RHNA Methodology.

On December 9, 2011, SCAG released the Draft RHNA Plan as part of the agenda for the RHNA Subcommittee meeting. The Draft RHNA Plan was recommended by the RHNA Subcommittee for further approval by the CEHD Committee and the Regional Council. The CEHD Committee reviewed and recommended the Draft RHNA Plan to the Regional Council on January 5, 2012 and the Regional Council reviewed and approved for distribution the Draft RHNA Plan on February 2, 2012. The Draft RHNA Plan acknowledged a total future housing need of 412,721 units for the SCAG region. In

addition, on April 4, 2012, the Regional Council unanimously approved SCAG's 2012-2035 RTP/SCS, including its jurisdictional level Integrated Growth Forecast.

The RHNA revision requests and appeals processes commenced immediately after the Regional Council's approval for distribution of the Draft RHNA Plan. 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 June 2, 2011. In this capacity, the RHNA Subcommittee was designated as the RHNA Appeals Board. On February 2, 2012 (and amended on May 3, 2012), the Regional Council also adopted Procedures Regarding Revision Requests, Appeals and Trade & Transfers (the "Appeals Procedure") for jurisdictions wishing to request a revision to their allocated housing need, to appeal their allocated housing need, or to trade and transfer their allocated housing need. The existing law and the procedures defined the parameters and basis for a successful revision or appeal. The Appeals Procedure was made available to all SCAG jurisdictions and posted on SCAG's website.

The RHNA Appeals Board concluded its review and consideration of revisions and appeals. Specifically, the RHNA Appeals Board reviewed, discussed and considered the revision requests of 14 jurisdictions and the appeals of 12 jurisdictions. Revision requests to the Draft RHNA Plan were heard by the RHNA Appeals Board on April 19, 2012 while appeals to the Draft RHNA Plan were heard by the RHNA Appeals Board as part of public hearings held over two days on July 12 and July 13, 2012. The RHNA Appeals Board ratified its written determinations on the appeals on July 24, 2012. The RHNA Appeals Board approved a reduction of 544 units in revision requests. The RHNA Appeals Board approved zero reduction of units in appeals, finding that none of the basis of the appeals could be supported by the RHNA law. As previously indicated, the RHNA Appeals Board was delegated by the Regional Council to review and make the final decisions regarding revision requests and appeals submitted by jurisdictions. The result of the revision requests and appeals processes adjusted the total regional housing need from 412,721 units in the Draft RHNA Plan to 412,137 units in the Final RHNA Plan.

Once the Proposed Final RHNA Plan was recommended for approval by the RHNA Subcommittee and the CEHD Committee, a public hearing to adopt the Final RHNA Plan was held by the Regional Council on October 4, 2012. Following the adoption of the Final RHNA Plan, SCAG submitted the Final RHNA Plan to HCD. HCD reviewed the Final RHNA Plan and on November 26, 2012, determined it was consistent with the Department's August 17, 2011 determination.

Once the Final RHNA Plan was adopted by SCAG, jurisdictions in the SCAG region had one year to complete and adopt their local housing element update based on respective comments and findings by HCD. The deadline for the jurisdictions to adopt their 5th Cycle local housing element updates was October 15, 2013.

### **FISCAL IMPACT:**

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee along with additional related direct costs (i.e., stipends, meals, mileage and parking) will be drawn from the General Fund reserves until the FY 13-14 General Fund Budget is amended accordingly.

# REPORT

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## ATTACHMENTS:

1. 5th Cycle RHNA Methodology, adopted November 3, 2011
2. 5th Cycle RHNA Procedures Regarding Revision Requests, Appeals and Trade & Transfers, adopted February 2, 2012;
3. 5th Cycle Final RHNA Allocation, adopted October 4, 2012



**Attachment 1**

**5th Cycle RHNA Methodology, adopted November 3, 2011**

SB 375 requires SCAG's Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) and Regional Housing Needs Assessment (RHNA) to be developed under an integrated process—one process that will facilitate internal consistency amongst these policy initiatives, while also fulfilling the multiple objectives required by the applicable laws and planning regulations.

As the region's Council of Governments, SCAG is responsible for the development of the 2012 RTP/SCS and allocation of the state-determined regional housing needs among all local jurisdictions in the SCAG region. SCAG and the California Department of Housing and Community Development (HCD) officially started the consultation process to determine the total housing needs for the SCAG region on June 20, 2011. As a result of the consultation process, on August 17, 2011, HCD determined SCAG's regional housing need to be a range of 409,060 to 438,030 units for the period 2013-2021.

This report describes the Data/GIS and Integrated Growth Forecast process, methodology, and results that will serve as the framework and foundation for the 2012 RTP/SCS development, and will also be used to produce the 5<sup>th</sup> Cycle RHNA Allocation Methodology (also referred to as "Allocation Methodology" herein), which shall be applied to distribute the regional housing need to produce a draft housing allocation to all local jurisdictions within the SCAG region. All key elements of the 5<sup>th</sup> Cycle RHNA Allocation Methodology are presented in detail in the later portion of this report.

### *The Stepwise Procedure of 5<sup>th</sup> Cycle RHNA Allocation Methodology*

The RHNA Allocation Methodology includes the following components and steps:

- (1) Each jurisdiction's projected housing needs, or its RHNA allocation, is determined by three components: (a) projected household growth, (b) healthy market vacancy need, and (c) housing replacement need;
- (2) Projected household growth for each jurisdiction should be consistent with 2012 RTP/SCS Integrated Growth Forecast process and results. (*See, Appendix IV for Preliminary Allocation as of May 13, 2011, subject to further discussion with local jurisdictions, additional refinement and adjustment consistent with 2012 RTP/SCS development process and results*);
- (3) Healthy market vacancy need is determined by applying 1.5%-owner vacancy rate and 4.5%-renter vacancy rate to each jurisdiction's projected household growth, split by the proportion of owner occupied units and renter occupied units from the 2010 Census;
- (4) Replacement need is determined by applying each jurisdiction's share of SCAG's historical demolitions to the region's housing replacement need, as determined by HCD. A jurisdiction's share of the region's demolitions will be derived using historical demolitions data from the Department of Finance (DOF). The replacement need will then be adjusted by applying the share to the jurisdiction's input gathered through SCAG's Housing Unit Demolition Survey. (*See, Appendix V*). Due to limited data availability regionwide, the replacement need will be applied to the individual jurisdiction's total draft allocation, prior to determining housing need by income category;
- (5) Determine each jurisdiction's projected housing needs that can be met with "excess" vacant units in their existing housing stock. The excess vacant unit credit for the region is 69,105 for effective vacancies and 6,286 for "other" vacant unit types, as determined by HCD (*See, Appendix VIII for vacant unit statistics and credit determination*). Due to limited data availability regionwide, the excess vacancy credit will be applied to the individual jurisdiction's total draft allocation, prior to determining housing need by income category;

- and,
- (6) Provide income distribution for each jurisdiction to allocate housing needs into four income categories, consistent with the 110% fair-share/over-concentration adjustment policy as adopted by SCAG's RHNA Subcommittee (*See*, Appendix VI).

In addition, the Allocation Methodology will address potential RHNA transfers due to future annexations by assessing future growth within spheres of influence areas. For any annexation areas outside a sphere of influence, the Allocation Methodology recognizes the existence of the small area dataset used for RTP/SCS modeling as a framework to derive the potential RHNA transfers in those specific areas. The jurisdictional boundaries as the starting point for this analysis will be based on the dataset as of January 1, 2011 and any future changes thereafter.

The key RHNA Allocation Methodology components are summarized below:

- (1) Existing housing needs
- (2) Projected housing needs for the RHNA planning period (October 1, 2013 – October 1, 2021)
  - (i) Total Regional Housing Needs Determination (as determined through SCAG's consultation with HCD)
  - (ii) RHNA Allocation Methodology
    - Projected household growth and AB 2158 factors
    - Healthy market vacancy need
    - Housing replacement need
    - The number of excess vacant units in a jurisdiction's existing housing stock
- (3) The interactions between the RHNA process and the RTP/SCS development process
  - (i) Housing planning needs to be coordinated and integrated with the RTP/SCS
  - (ii) To achieve this goal, the RHNA allocation plan shall distribute housing units within the region consistent with the development pattern included in the SCS
  - (iii) The SCS shall identify areas within the region sufficient to accommodate an eight-year projection of the regional housing needs for the region pursuant to Government Code Section 65584 (RHNA); and
- (4) SCAG 2012 Integrated Growth Forecast Process and results for RTP/SCS and RHNA

### **Existing Housing Needs**

#### **Approach to addressing existing housing needs in the SCAG Region**

To meet the requirements of assessing existing housing needs and to help local jurisdictions prepare potential updates to their housing elements, SCAG has committed to collaborate with other government agencies, stakeholders, and local jurisdictions to process data from the 2010 Census along with housing related statistics from other sources for the purpose of providing value-added information as required by housing law. Statistics required to meet the existing housing needs include:

- (1) Local jurisdiction's share of the regional housing needs in accordance with Section 65584
- (2) Statistics on household characteristics, including over-payment, overcrowding, and housing stock condition
- (3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment

- (4) An analysis of any special housing needs, such as elderly, persons with disabilities, large families, farm workers, families with female heads of households, and families and persons in need of emergency shelter
- (5) Statistics on existing assisted housing developments

The data set described above was distributed in draft form to stakeholders, interested parties, and on SCAG's RHNA webpage in late July 2011 (*See, Appendix I*).

### **Projected Regional Total Housing Needs for RHNA Planning Period**

Before HCD determines the total housing needs and its allocation by income category for the SCAG region, Government Code 65584.01 provides a procedure and process to guide the consultation process between SCAG, DOF, and HCD to reach the determination. The stepwise methodologies are as follows:

- (1) Determine SCAG's regional population growth for the RHNA projection period
- (2) Determine the headship rate
- (3) Determine SCAG's regional household growth by applying the headship rate to population growth
- (4) Subtract population and household growth located on Tribal Lands
- (5) Determine the healthy market vacancy rates for both owner-occupied (1.5%) and renter-occupied (4.5%) housing units
- (6) Determine the data and methodology that will be used to estimate the housing replacement need (SCAG applied 0.7% to projected household growth)
- (7) Total SCAG regional housing needs = [household growth x (1 + healthy market vacancy rate)] + [housing replacement need]
- (8) Apply "excess" vacant units in existing housing stock to partially meet SCAG's total RHNA need
- (9) Total housing needs breakdown by income category [Above Moderate (>120%), Moderate (80%-120%), Low (50%-80%), and Very Low (<50%)] based on county median household income (MHI)<sup>1</sup> from the 2005-2009 American Community Survey (ACS)

Based on the 2012 RTP/SCS Integrated Growth Forecast process and results, staff presented the Draft HCD/DOF consultation packet to the RHNA Subcommittee on May 27, to CEHD on June 2, and officially begun the consultation process with HCD on June 20, 2011. HCD issued its final determination for the SCAG region in August 2011.

### **The RHNA Allocation Methodology**

The Allocation Methodology is the tool used to assign each jurisdiction in the SCAG region its share of the region's total housing needs. No more than six months before the adoption of the Allocation Methodology, SCAG has to conduct a survey of all local jurisdictions on the factors described below, which shall be used to develop the Allocation Methodology.

A survey was distributed to all local jurisdictions in mid-June 2011 requesting information on the factors listed in Section 65584.04(d). Ninety-four (out of 197) jurisdictions responded to the survey and staff reviewed the responses for developing the RHNA Allocation Methodology (*See, Appendix II for the complete survey responses of RHNA allocation planning factors from jurisdictions*).

<sup>1</sup> According to 5-year ACS average data, the estimated SCAG region MHI=\$58,271. The estimated MHI for SCAG region counties are: Imperial (\$37,595), Los Angeles (\$54,828), Orange (\$73,738), Riverside (\$58,155), San Bernardino (\$55,461), and Ventura (\$74,828). All figures are in 2009 dollars.

- (1) Existing and projected jobs and housing relationship
- (2) The opportunities and constraints to develop additional housing in each member jurisdiction, including all of the following:
  - (i) Lack of capacity for sewer or water service
  - (ii) 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
  - (iii) Lands preserved or protected from urban development
  - (iv) County policies to preserve prime agricultural land
- (3) The distribution of household growth assumed for purposes of a comparable period of RTP and opportunities to maximize the use of public transportation and existing transportation infrastructure
- (4) The market demand for housing
- (5) Agreements between a county and cities in the county to direct growth toward incorporated areas of the county
- (6) The loss of units contained in assisted housing developments
- (7) High housing costs burdens
- (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) Any other factors adopted by the Council of Governments

The RHNA Allocation Methodology must also address the goals of state housing law in Government Code Section 65584 (d), including:

- (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
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns
- (3) Promoting an improved intraregional relationship between jobs and housing
- (4) Allocating a lower proportion of housing needs 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 decennial United States census

Housing goals #1 to #3 as well as all RHNA allocation planning factors were generally addressed through the 2012 RTP/SCS Integrated Growth Forecast process and the results are described in the following section. State housing goal #4 listed above was addressed by the RHNA Subcommittee in its meeting on June 24, 2011 through the adoption of moving 110% towards county distribution in each of its four income categories for all local jurisdictions in SCAG region, which was the same adjustment used in the 4th RHNA. For additional information regarding this regional overconcentration/fair-share adjustment, please refer to Appendix VI of this Allocation Methodology.

The goals of the RHNA aim to promote social equity and address housing issues for all income groups by allocating a fair share of projected household needs for the corresponding planning period. However, the RHNA process is limited in its ability to directly implement housing needs for all segments of the population. Rather, implementation of affordable housing is identified in individual housing elements through a variety of implementation tools that address various housing needs. Identifying and utilizing implementation tools so as to result in housing for all income groups are particularly important due to the

integration of the RHNA process with that of the RTP/SCS.

Moreover, as presented in the HCD/DOF consultation packet, the SCAG growth projection framework and methodology directly and explicitly call for providing adequate housing to accommodate all population growth, taking into account for natural increase, domestic and international migration, and employment growth. First, population growth is consistent with employment growth through labor force participation and implied unemployment. Second, appropriate headship rates benchmarked with the latest Census information were applied to convert population growth into household formation. As a result of this procedure, both population and workers are closely linked with employment growth, and their demands on housing opportunities are also adequately addressed.

In addition, historical data on the flow of commuters/workers indicates that the region has been housing an increasing number of workers for jobs located outside the SCAG region. The excess or the difference between the number of workers living in the SCAG region and taking jobs outside the region versus the number of workers commuting into the region for jobs increased 14 fold – from 4,280 in 1980 to 59,921 in 2008. Thus, the region continues to increase the housing supply and the mix of housing types, tenure, and affordability not only in all cities and counties within the region in an equitable manner, but also to address housing needs for workers commuting for jobs located outside the SCAG region.

The Integrated Growth Forecast process and results derived through the two-year (May 2009 to July 2011) top-down and bottom-up process basically provide one growth pattern scenario (along with an associated RHNA allocation plan). Local considerations and SCAG’s survey of RHNA allocation planning factors were incorporated as part of the Allocation Methodology, with information and input received from SCAG workshops and additional discussions and comments with individual jurisdictions, after further assessment by SCAG staff and policy committees, shaping the Allocation Methodology.

### **Development of Allocation Methodology**

For the purposes of undertaking RHNA and developing an Allocation Methodology, SCAG utilized the information generated as part of the development of the regional Draft Integrated Growth Forecast. The Draft Integrated Growth Forecast of household growth in 2021 is the starting basis for RHNA planning. At the regional level, the total regional household growth that is projected between 2011 and 2021, plus vacancy and housing replacement adjustment, is the draft projected housing needs for the region (see below for details).

The household forecast for each county in the year 2021 provided by the Draft Integrated Growth Forecast is the foundation of the RHNA allocation plan at the county level. Similarly, the household forecast for each jurisdiction in the year 2021, including unincorporated areas within each county, forms the basis of the RHNA allocation plan at the jurisdictional level.

Each jurisdiction’s household distribution, which uses county level median household income based on 2005-2009 5-year ACS data, is the starting point for the RHNA housing allocation plan by income category.

Based upon staff’s evaluation and assessment of local jurisdictions’ responses to the survey of RHNA allocation planning factors, it is concluded that all factors listed above have been adequately addressed through the 2012 RTP/SCS Integrated Growth Forecast process and are reflected in the current version of the regional housing needs allocation plan.

Consideration of several RHNA allocation planning factors has been incorporated in the Draft Integrated Growth Forecast by way of analysis of aerial land use data, employment and job growth data from InfoUSA's employment database, data from the Census Transportation Planning Package (CTPP), local general plan data, parcel level property data from each county's tax assessor's office, building permit data, demolition data and forecast surveys distributed to local jurisdictions.

However, because the Draft Integrated Growth Forecast alone arguably does not adequately address some of the RHNA allocation planning factors, such as the loss of units contained in assisted housing developments and the housing needs for farm workers, the Allocation Methodology depended on obtaining additional information from local jurisdictions regarding the RHNA allocation planning factors and also on the outcome of RTP/SCS development as a result of SCAG's subregional workshops.

As of October 27, 2011, 94 jurisdictions have responded to the local planning factor survey. Based on the comments received, SCAG concludes there is no need to further refine the Allocation Methodology. The RHNA allocation planning factors have been considered in the Integrated Growth Forecast process as follows:

*(1) Each member jurisdiction's existing and projected jobs and housing relationship*

Staff evaluation and assessment of responses from SCAG's survey to local jurisdictions indicated that the Integrated Growth Forecast process and results have adequately addressed and maintained the existing and projected jobs/housing balance for most of the counties, subregions, and cities in the SCAG region. However, the jobs/housing balance issue may need to be further discussed through the RTP/SCS process to credibly promote additional job growth in areas where desirable jobs/housing ratios are difficult to achieve.

The resulting jobs/housing relationships show a gradual improvement for all local jurisdictions throughout the forecasting/planning horizon. In addition, spatial distribution of SCAG's jobs/housing ratio can be analyzed by the Index of Dissimilarity (IOD). An IOD ranges from 0 to 1. If IOD is 0, then the region is perfectly balanced because each subarea will be exactly the same as the regional figure. If IOD is 1, then the region is completely imbalanced, meaning that there is great diversity from one zone to the next. Using the IOD to analyze the Integrated Growth Forecast, it can be seen that growth from 2011 to 2021 shows improvement in jobs/housing balance throughout the SCAG region (See, Appendix III: Jobs/Housing Balance and Index of Dissimilarity Analysis).

*(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following, (i) lack of sewer or water service due to laws or regulations, (ii) the availability of land suitable for urban development or for conversion to residential use, (iii) lands preserved or protected from urban development under governmental programs designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, and (iv) county policies to preserve prime agricultural land within an unincorporated area*

Consideration of the above planning factors has been incorporated into the Integrated Growth Forecast process and results by way of analysis of aerial land use data, general plan, parcel level property data from tax assessor's office, open space, agricultural land and resources areas, and forecast surveys distributed to local jurisdictions. The Integrated Growth Forecast process started with an extensive outreach effort involving all local jurisdictions regarding their land use and development constraints. All subregions and local jurisdictions were invited to provide SCAG their respective growth perspective and inputs. In addition, Transit Priority Project (TPP) growth opportunity areas defined

by Public Resources Code and transportation efficient places as defined by mortgage & transportation costs efficient areas are identified throughout the region to redirect growth that favors an urban form consistent with equity, efficiency, regional mobility, and air quality goals.

[ftp://javierm:scag123@data.scag.ca.gov/Data\\_Map\\_Guide\\_Example.zip](ftp://javierm:scag123@data.scag.ca.gov/Data_Map_Guide_Example.zip)

Moreover, staff evaluation and assessment of responses from this survey of local jurisdictions concluded that the above factors may need to be further considered before a draft housing needs allocation is determined for a few jurisdictions. SCAG's Integrated Growth Forecast process and results have adequately incorporated these factors for almost all counties and cities in the SCAG region.

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

The current version of projected household growth and distribution is consistent with the Integrated Growth Forecast process and results, and is also used to develop the 2012 RTP/SCS. As mentioned above, TPP growth opportunity areas defined by Public Resources Code and transportation efficient places as defined by mortgage and transportation costs efficient areas are identified throughout the region for each local jurisdiction to redirect growth favoring an urban form consistent with equity, efficiency, regional mobility, and air quality goals.

[ftp://javierm:scag123@data.scag.ca.gov/Data\\_Map\\_Guide\\_Example.zip](ftp://javierm:scag123@data.scag.ca.gov/Data_Map_Guide_Example.zip)

(4) *The market demand for housing*

All indicators of market demand, such as trends of building permits, household growth, employment growth and population growth are built into the forecasting methodology and model throughout all geographic levels. In addition, SCAG's Integrated Growth Forecast process and results have incorporated the latest economic statistics and updated data from the 2010 Census. Based upon staff's evaluation and assessment of jurisdictions' responses to the AB 2158 factors survey, local jurisdictions are concerned with the continuing weakness and depressed state of the housing market, and anticipate very negative impacts on economic and job growth. All these point to a persistent high level of vacancy rates, if not higher, in the foreseeable future. SCAG researched the number of "excess" vacant units from for sale, for rent, and from other vacant units and it was proposed to HCD to use these "excess" units to partially meet the projected future housing needs in the region, which will help all counties and cities in the SCAG region to effectively address their concerns. As part of its RHNA need determination, HCD accepted SCAG's proposal to allow excess units of jurisdictions to address projected future housing needs.

(5) *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county*

This is addressed through an extensive survey of all local jurisdictions and subregion/local jurisdiction inputs/comments process. In addition, a GIS/Data packet including agricultural lands, Spheres of Influence (SOI), open space, etc., were produced and provided to each local jurisdiction and subregion as a basis to develop the RTP/SCS and RHNA.

Moreover, staff's evaluation of responses from the local jurisdiction survey concluded that agreement between a county and cities in a county to direct growth toward incorporated areas of the county only occurred in Ventura County, and it has been adequately addressed and incorporated into



the Integrated Growth Forecast process and results through bottom-up input received from Ventura County local jurisdictions.

*(6) The loss of units contained in assisted housing development.*

The conversion of low-income units into non-low-income units is not explicitly addressed through the Integrated Growth Forecast process. Staff has provided statistics to local jurisdictions on the potential loss of units in assisted housing developments. The loss of such units affects the proportion of affordable housing needed within a community and the region as a whole.

In addition, staff's assessment and evaluation of responses from the survey of this factor concluded that local jurisdictions had provided adequate documentation and discussion about their assisted affordable units and potential losses, and as was in last cycle of RHNA is best addressed through combining an existing housing needs statement giving local jurisdictions the discretion to deal with this factor. This factor will not be addressed as part of SCAG's Allocation Methodology. Instead, SCAG will provide the data for this factor to local jurisdictions to adequately plan for the loss of at risk low income units in preparing their housing elements.

*(7) High-housing costs burdens*

The collapse of the sub-prime mortgage market in 2007 was one of the key factors causing the Great Recession. Currently, the housing market remains severely depressed; the volume of transactions, prices, and permits issued are all at historical lows. In contrast, the housing affordability is at historical high due to high inventory of distressed properties from foreclosures. Thus current concerns on the housing market were translated into the Integrated Growth Forecast process and results are primarily focused on job growth and reductions in unemployment rates, such that people can afford housing in the future and will form new households. This is consistent with staff evaluation and assessment of jurisdictions' responses of the local planning factor survey that jurisdictions are concerned about the continuing weakness and depressed state of the housing market, and their negative impacts on economic and job growth. All these issues pointed to a persistent high level of vacancy rates, if not higher, in the foreseeable future. SCAG's analysis of "excess" vacant units from for sale, for rent, and from other vacant units and the proposal to HCD to use these "excess" units to partially meet the projected future housing needs in the region will help all local jurisdictions to effectively address their concerns. As part of its RHNA need determination, HCD accepted SCAG's proposal to allow excess units of jurisdictions to address projected future housing needs.

*(8) The housing needs of farm workers*

The Integrated Growth Forecast provides projection of agricultural jobs (wage and salary jobs plus self employment) by place of work. The corresponding requirements of workers were also provided by place of residence. There is no information regarding the forecasts of migrant workers.

The housing needs of farm workers are not always included in a housing Allocation Methodology. Farm worker housing needs are concentrated geographically and across farm communities in specific SCAG region counties and sub areas. However, staff evaluation and assessment of responses from the local planning factor survey indicate that farm worker housing needs are only applicable to a few jurisdictions, and have been mostly addressed locally. As the policy adopted in

the last cycle of RHNA combines an existing housing needs statement with giving local jurisdictions the discretion to deal with farm worker housing needs, this factor will not be formally addressed in SCAG's Allocation Methodology. Instead, SCAG will provide the farm worker housing needs data for local jurisdictions to adequately plan for such need in preparing their housing elements. These data include:

- Farm workers by occupation
- Farm workers by industry
- Place of work for agriculture

(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*

Staff prepared enrollment estimates for private universities or campuses of California State University or the University of California by SCAG region cities and counties as part of the statistics for existing housing needs. Also, from assessment and evaluation of local jurisdiction's responses to the local planning factor survey, most housing needs related to university enrollment are addressed and met by on-campus dormitories provided by universities; no jurisdictions expressed concerns about student housing needs due to presence of universities in their communities.

(10) *Others factors adopted by the council of governments.*

No other planning factors are being considered by SCAG as part of the Allocation Methodology.

### ***The Interactions between RHNA and the RTP/SCS Development Process***

As required by housing law, housing planning needs to be coordinated and integrated with the RTP/SCS process. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the SCS, and the SCS shall identify areas within the region sufficient to house an eight-year projection of the regional housing needs for the region pursuant to Section 65584.

SCAG, in cooperation with the respective subregions within the SCAG region, conducted 18 public workshops in July and August 2011 for local jurisdictions, members of the public, and interested parties to provide input to SCAG with regard to:

- Developing the draft 2012 RTP/SCS and RHNA
- Refining SCAG's initial assessment of the growth and housing capacity of cities as reflected in the Integrated Growth Forecast and land uses through development types as required for the development of the RTP/SCS and RHNA

Staff has incorporated accordingly input received from the workshops stated above as part of this Allocation Methodology.

Finally, although there are currently no programs that directly provide incentives for jurisdictions to accept more units than allocated in the draft RHNA plan, there are several programs that provide funding or assistance to jurisdictions that implement affordable housing. These programs, subject to available funding, include the HCD Housing Related Parks Program, which rewards jurisdictions with grant funds which can

be used to create new parks or rehabilitation or improvement to existing parks, as well as the federal Home Investment Partnerships Program, which provides housing rehabilitation, new construction, and acquisition and rehabilitation for projects serving lower income renters and owners.

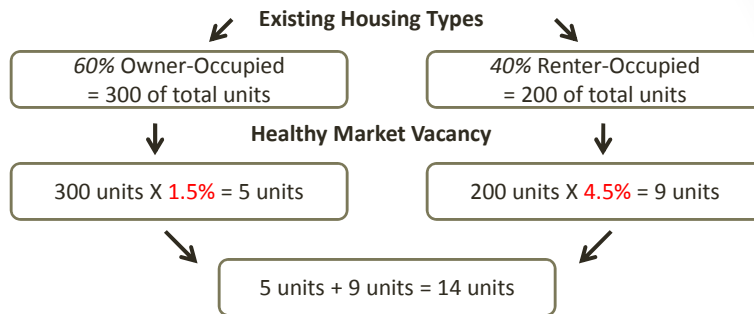
**APPENDICES:**

- I. *Statistics for Existing Housing needs: the 5th Cycle of Regional Housing Needs Assessment (RHNA)*
- II. *Complete Survey Responses of Local Planning Factors from Jurisdictions*
- III. *Jobs/Housing Balance and Index of Dissimilarity Analysis of SCAG Integrated Growth Forecast Results*
- IV. *Preliminary Projected Household Allocation as of May 13, 2011, subject to further discussion with local jurisdictions, additional refinement, and adjustment consistent with 2012 RTP/SCS process and results*
- V. *Replacement Need Allocation Methodology*
- VI. *Regional Fair-Share/Over-concentration Adjustment: 110% Move toward County Distribution of Each Income Category*
- VII. *Integrated Growth Forecast Process and Results for 2012 RTP/SCS and RHNA*
- VIII. *Vacant Unit Statistics and Excess Vacancy Credit Determination*

Due to their large size, the 5<sup>th</sup> Cycle RHNA Allocation Methodology appendices are available on the RHNA website ([www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna)), and a public copy will be made available at all public meetings and hearings related to the Allocation Methodology.

## Proposed RHNA Methodology: Example

City A = 500 units of Projected Household Growth



500 units + 14 units =  
**514 units of Growth and Vacancy Need**

## Proposed RHNA Methodology: Sample

514	Growth and vacancy need
+	
6	Replacement need
<hr/>	
520	Growth + vacancy need + replacement need

## Current Market Excess Vacancy Credit



- Two types
  - Effective Vacancy Credit
    - For sale and for rent units
    - Healthy market assumption depends on existing housing stock
    - Regional credit: 69,105
  - “Other” Vacant Units Credit
    - Vacant due to legal disputes, “shadow inventory”, unknown, etc.
    - Regional credit: 6,286
    - Healthy market assumption of 1.28% across the region

## Effective Vacancy Credit: City A

283	Total vacant units for rent and for sale (Census)
-14	Healthy market vacancy need
<hr/>	
269	Surplus vacant units above healthy market need



### Calculate City A's *share* of excess vacancy:

269	Surplus vacant units
÷	
<b>86,864</b>	Total regional excess vacancy [fixed]
<hr/>	
0.31%	City A's regional share



## Effective Vacancy Credit: City A

**Determine share of regional credit:**

0.31%            City A's regional share

X

**69,105**            Regional credit [fixed]

---

216                Excess effective vacancy credit

## Excess "Other" Vacant Unit Credit: City A

**Determine normal market condition share:**

5,000            City A's total housing units (Census)

X

**1.28%**            Percentage of units that are "other"[fixed]

---

64                Normal market condition assumption

↓

77                City A's total "other" vacant units (Census)

-

64                Normal market condition assumption

---

13                "Other" vacant units above normal market

## Excess “Other” Vacant Unit Credit: City A

### Calculate City A’s *share of excess vacancy*:

13 “Other” vacant units above normal market

÷

21,478 total regional excess vacancy [fixed]

---

0.06% City A’s regional share



### Determine share of regional credit:

0.06% City A’s regional share

X

6,286 Regional credit [fixed]

---

4 Excess other vacancy credit

## Total Excess Vacancy Credit: City A

216 Excess effective vacancy credit

+

4 Excess “other” vacancy credit

---

220 Total excess vacancy credit



## Proposed Methodology: City A

520	Growth + vacancy need + replacement need
-	
220	Total excess vacancy credit
<hr/>	
300	City A Total Draft RHNA Allocation

## RHNA Household Allocation (Adjusted for Equity)

### Existing Conditions:

Household Income Level	City A	County Distribution
Very Low Income	30.1%	22.9%
Low Income	27.9%	16.8%
Moderate Income	23.5%	18.5%
Above Moderate Income	18.5%	41.8%

To mitigate the over-concentration of income groups each jurisdiction will move 110% towards county distribution in all four categories:

Household Income Level	City A Adjusted Allocation
Very Low Income	$30.1\% - [(30.1\% - 22.9\%) \times 110\%] = 22.2\%$
Low Income	$27.9\% - [(27.9\% - 16.8\%) \times 110\%] = 15.7\%$
Moderate Income	$23.5\% - [(23.5\% - 18.5\%) \times 110\%] = 17.9\%$
Above Moderate Income	$18.5\% - [(18.5\% - 41.8\%) \times 110\%] = 44.2\%$

# Final RHNA Allocation

Income Category	City A Adjusted Distribution	RHNA Allocation (units)
Very Low	22.2%	67
Low	15.7%	47
Moderate	17.9%	54
Above Moderate	44.2%	132
Total	100%	300



**Attachment 2**

**5th Cycle RHNA Procedures Regarding Revision Requests, Appeals and Trade & Transfers, adopted February 2, 2012**



# 5<sup>TH</sup> CYCLE REGIONAL HOUSING NEED ASSESSMENT

## *PROCEDURES REGARDING REVISION REQUESTS, APPEALS AND TRADE & TRANSFERS (AMENDED 05/03/12)*

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In accordance with Government Code Section 65584.05, there are three (3) processes whereby local jurisdictions within the SCAG region may seek to modify their allocated share of the regional housing need included as part of SCAG’s Draft Regional Housing Needs Assessment (RHNA) Allocation Plan, hereinafter referred to as the “Draft RHNA Plan.”

The first process involves local jurisdictions requesting a revision of its draft allocation. This “revision process” is outlined in Section I herein.

As outlined in Section II, the second process involves a formal appeal with SCAG if the local jurisdiction’s draft allocation was not modified as part of the revision process.

The third process involves two or more local jurisdictions proposing a “trade and transfer” or alternative distribution of their draft RHNA allocations by way of a written agreement. This document sets forth the process and guidelines to accomplish trades and transfers, as outlined in Section IV herein.

In accordance with state law, local jurisdictions shall not be allowed to file more than one appeal, and no appeal shall be allowed relating to post-appeal reallocation adjustments made by SCAG, as further described in Section II, below.

### **I. REVISION PROCESS**

#### **A. DEADLINE TO FILE**

Under existing law<sup>1</sup>, SCAG can determine the period by which local jurisdictions may request a revision of its draft allocation. According to SCAG’s current schedule for the 5<sup>th</sup> cycle RHNA Plan, attached hereto as Exhibit “A,” the Draft RHNA Plan is currently projected to go before SCAG’s Regional Council for

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<sup>1</sup> Unless otherwise stated, any reference to “existing law” herein shall mean a reference to California Government Code Section 65584.05.

review and distribution on February 2, 2012. The period to request revisions shall commence on February 9, 2012. In order to comply with SCAG's current RHNA schedule, any jurisdiction seeking to request a revision of its draft RHNA allocation must submit the request by March 15, 2012. Late revision requests shall not be accepted by SCAG, and any request shall be subject to the limits and alternative data requirements for appeals, as noted in Section II.D and E.

## **B. FORM OF REVISION REQUEST**

In accordance with existing law, local jurisdictions may "request a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) through (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government pursuant to subdivision (b) of that section." Specifically, a local jurisdiction may request a revision of its draft RHNA allocation based upon AB 2158 factors, including any information submitted by the jurisdiction regarding the AB 2158 factors as a result of SCAG's local survey process. These AB 2158 factors are outlined in Section II, subsection C herein, relating to the appeals process. A local jurisdiction shall submit its revision request using the form attached hereto as Exhibit "B."

SCAG staff shall consider and recommend what action should be taken regarding any revision request, subject to the approval of the RHNA Subcommittee. The RHNA Subcommittee was previously established by SCAG's Regional Council to guide the development of the 5<sup>th</sup> cycle RHNA plan. The RHNA Subcommittee is comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region. There shall be a quorum of the RHNA Subcommittee when each county is represented, and while alternates are permitted to participate in the appeal hearing process, each county shall only be entitled to one vote.

Decisions regarding revision requests shall be made within sixty (60) days after the deadline to request revisions. During this period, SCAG staff shall review the revision request and make a formal recommendation related to the revision request to the RHNA Subcommittee. The RHNA Subcommittee shall thereafter review staff's recommendations as part of a RHNA Subcommittee public meeting. Local jurisdictions shall be notified in advance of the RHNA Subcommittee's review of their revision requests.

The decision of the RHNA Subcommittee regarding revision requests based upon SCAG staff's recommendation shall be to (1) grant the revision request and approve the total amount of housing units requested by the jurisdiction be revised as part of the request; (2) partially grant the revision request and approve part of the amount of housing units requested by the jurisdiction be revised as part of the request; or (3) deny the revision request and make no modification to the jurisdiction's draft share of regional housing need.

Any decision by the RHNA Subcommittee to grant or partially grant a revision request shall result in an adjustment to the total regional number provided in the Draft RHNA Plan. There will also be proportional adjustments made across the four income categories in the Draft RHNA Plan. In considering and determining any revision requests, the RHNA Subcommittee shall maintain the total regional housing need determined by the California Department of Housing and Community Development (HCD) of 409,060 to 438,030 housing units for the period of 2013-2021. Any revision requests granted by the RHNA Subcommittee shall not result in SCAG's total regional housing need to be lower than 409,060 housing units. Adjustments resulting from successful revision requests shall not be subject to reallocation. The local jurisdiction shall be notified in writing of the RHNA Subcommittee's decision regarding its revision request.

## **II. APPEALS PROCESS**

### **A. DEADLINE TO FILE**

A local jurisdiction may file an appeal of its draft RHNA allocation with SCAG if the jurisdiction requested a revision under the process described in Section I above and does not accept the decision regarding the request by the RHNA Subcommittee, except in the cases where the jurisdiction is filing an appeal based upon SCAG's application of the allocation methodology or a change in circumstances. The period to file appeals shall commence on April 23, 2012. In order to comply with SCAG's current RHNA schedule, any jurisdiction seeking to appeal its draft allocation of the regional housing need must file an appeal by May 29, 2012. Late appeals shall not be accepted by SCAG.

### **B. FORM OF APPEAL**

The local jurisdiction shall state the basis and specific reasons for its appeal on the appeal form prepared by SCAG, a copy of which is attached hereto as Exhibit "C". Additional documents may be submitted by the local jurisdiction as attachments, and all such attachments should be properly labeled and numbered.

### **C. BASES FOR APPEAL**

Local jurisdictions shall only file an appeal based upon the criteria listed below. In order to provide guidance to potential appellants, information regarding SCAG's allocation methodology approved by SCAG's Regional Council on November 3, 2011, and application of local factors in the development of SCAG's allocation methodology is attached hereto as Exhibit "D".

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the allocation methodology established and approved by SCAG.
2. AB 2158 Factors – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(b), including the following:
  - a. Each jurisdiction’s existing and projected jobs and housing relationship.
  - b. The opportunities and constraints to development of additional housing in each jurisdiction, including the following:
    - (1) 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;
    - (2) 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;
    - (3) 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.
    - (4) County policies to preserve prime agricultural land, as defined pursuant to Government Code Section 56064, within an unincorporated area.

- c. 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.
  - d. The market demand for housing.
  - e. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.
  - f. The loss of units contained in assisted housing developments that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
  - g. High housing costs burdens.
  - h. The housing needs of farmworkers.
  - i. 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.
3. Changed Circumstances – That a significant and unforeseen change in circumstances has recently occurred in the jurisdiction that merits a revision of the information previously submitted by the local jurisdiction.

**D. LIMITS ON SCOPE OF APPEAL**

Existing law limits SCAG’s scope of review of appeals. Specifically, in accordance with existing law, SCAG shall not grant any appeal based upon the following:

- 1. Any other criteria other than the criteria in Section II.C above.



2. A local jurisdiction's existing zoning ordinance and land use restrictions, including but not limited to, the contents of the local jurisdiction's current general plan. In accordance with Government Code Section 65504.04(d)(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, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.
3. Any local ordinance, policy, voter-approved measure or standard limiting residential development. Pursuant to Government Code Section 65584.04(f), any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits shall not be a justification for a determination or a reduction in a city's or county's share of regional housing need.

#### **E. ALTERNATIVE DATA REQUIREMENTS**

To the extent a local jurisdiction submits alternative data or evidentiary documentation to SCAG in support of its appeal, such alternative data shall meet the following requirements:

1. The alternative data shall be readily available for SCAG's review and verification. Alternative data should not be constrained for use by proprietary conditions or other conditions rendering them difficult to obtain or process.
2. The alternative data shall be accurate, current, and reasonably free from defect.
3. The alternative data shall be relevant and germane to the local jurisdiction's basis of appeal.
4. The alternative data shall be used to support a logical analysis relating to the local jurisdiction's request for a change in its regional housing need allocation.

#### **F. HEARING BODY**

SCAG's Regional Council has delegated the responsibility of considering appeals regarding draft allocations to the RHNA Subcommittee. All provisions of the RHNA Subcommittee's charter shall apply with respect to the conduct of the

appeal hearings. In the event that a local jurisdiction has requested a revision and filed an appeal solely based on AB 2158 factors, the RHNA Subcommittee shall have the right to deny the appeal if it has previously granted or partially granted the jurisdiction's revision request.

#### **G. APPEAL HEARING**

Hearings related to appeals shall occur no later July 13, 2012. Notice shall be provided to the appealing jurisdiction in accordance with existing law. The appeal hearing(s) may take place provided that each county is represented either by a member or alternate of the RHNA Subcommittee. Alternates are permitted to participate in the appeal hearing, provided however, that each county shall only be entitled to one vote when deciding on the appeal. In the event the hearing involves the member's or alternate's respective jurisdiction, the member or alternate shall be disqualified and is not permitted to participate in the hearing, except as a member of the public.

The hearing(s) shall be conducted to provide the appealing jurisdiction with the opportunity to make its case regarding a change in its draft regional housing need allocation, with the burden on the appealing jurisdiction to prove its case. The RHNA Subcommittee need not adhere to formal evidentiary rules and procedures in conducting the hearing. An appealing jurisdiction may choose to have technical staff present its case at the hearing. At a minimum, technical staff should be available at the hearing to answer any questions of the RHNA Subcommittee. SCAG staff shall also be permitted to present its position and may make a recommendation on the technical merits of the appeal to the RHNA Subcommittee, subject to any rebuttal by the appealing jurisdiction.

#### **H. DETERMINATION OF APPEAL**

The RHNA Subcommittee shall issue a written decision to the appealing jurisdiction within one (1) week of the conclusion of the public hearing(s). The decision shall be to: (1) grant the appeal and approve the total amount of housing units requested by the jurisdiction to be modified as part of its appeal; (2) partially grant the appeal and approve part of the amount of housing units requested by the jurisdiction to be modified as part of its appeal; or (3) deny the appeal and reject any modification to the jurisdiction's draft regional housing need allocation. The decision of the RHNA Subcommittee shall be final, and local jurisdictions shall have no further right to appeal. In accordance with existing law, the final determination on an appeal by the RHNA Subcommittee may require the adjustment of allocation of a local jurisdiction that is not the subject of an appeal.

#### **III. POST-APPEAL REALLOCATION OF REGIONAL HOUSING NEED**

In accordance with existing law (see, Government Code Section 65584.05(g)), after the conclusion of the appeals process, SCAG shall total the successfully

appealed housing need allocations. If the adjustments total seven percent (7%) or less of the regional housing need, SCAG shall distribute the adjustments proportionally to all local jurisdictions.

If the adjustments total more than seven percent (7%) of the regional housing need, existing law provides that SCAG can develop a methodology to distribute the amount greater than seven percent to local governments. In this situation, SCAG's methodology shall be to distribute the remainder proportionally to all local jurisdictions.

#### **IV. TRADE AND TRANSFER PROCESS**

As an alternative to the revision request or appeals processes, a local jurisdiction may attempt a "trade and transfer" of its allocation with another jurisdiction(s), for the purpose of developing an alternative distribution of housing need allocations consistent with existing law. SCAG shall facilitate or assist in trade and transfer efforts by local jurisdictions, to the extent reasonably feasible. As such, local jurisdictions need not request a revision or file an appeal with SCAG in order to attempt trades and transfers. The alternative distribution shall be evidenced by way of a written agreement or other documentation outlining the respective jurisdictions' modified allocations. Any alternative distribution shall be submitted to SCAG prior to SCAG's issuance of the Final RHNA Plan, and shall be subject to any post-appeal reallocations as described in Section III above.

SCAG shall include the alternative distribution proposed by the local jurisdictions in the Final RHNA Plan, provided that the proposed alternative distribution maintains or accounts for the total housing need originally assigned to these jurisdictions. Below are guidelines that the local jurisdictions may consider as part of the trade and transfer process:

- A. Transfer request shall have at least two willing parties and the total number of units originally assigned to the group requesting the transfer (hereinafter referred to as the "transfer group") cannot be reduced.
- B. All members of the transfer group are local jurisdictions that are preferably contiguous.
- C. All members of the transfer group shall retain some allocation of very-low and low-income units. SCAG advises that a minimum of twenty percent (20%) of the original allocations be retained for very-low and low-income units.
- D. The proposed transfer includes a description of incentives and/or resources that will enable the jurisdiction(s) receiving an increased

allocation to provide more housing choices absent the proposed transfer and accompanying incentives or resources.

- E. The proposed transfer shall be consistent with existing housing law, including the RHNA objectives set forth in Government Code Section 65584(d) (1) through (4).
- F. If the proposed transfer results in a greater concentration of very-low income or low-income units in a receiving jurisdiction which has a disproportionately high share of households in that income category, the transfer group shall provide a reasonable justification to SCAG so as to address the RHNA objectives set forth in Government Code Section 65584(d) (1) through (4).
- G. The proposed transfer shall not prohibit SCAG from making a determination that its Final RHNA Plan is consistent with SCAG's regional transportation plan (RTP) and related Sustainable Communities Strategy (SCS).
- H. The transfer group shall retain its originally assigned allocations in the event the agreement involving the proposed transfer is not completed by the respective deadline.

**V. FINAL RHNA PLAN**

After SCAG makes any adjustments resulting from the revision request process, reallocates units to all local jurisdictions resulting from successful appeals, and incorporates any alternative distributions of transferring jurisdictions, SCAG's Regional Council shall review and consider adoption of the Final RHNA Plan for SCAG's 5<sup>th</sup> cycle RHNA. This is scheduled to occur on October 4, 2012.

Exhibit "A" -- RHNA Timeline (February 2012-October 2013)

February 2, 2012	SCAG's Regional Council reviews and considers distribution of SCAG's Draft RHNA Plan.
February 9, 2012	Start of period for local jurisdictions to request revision of its draft allocation based upon AB 2158 factors.
March 15, 2012	Last day for local jurisdictions to request revision based upon AB 2158 factors.
April 19, 2012	Deadline to address all revision requests by SCAG staff and RHNA Subcommittee.
April 23, 2012	Start of period for local jurisdiction to file appeal of its draft allocation based upon application of SCAG's methodology, AB 2158 factors or changed circumstances.
May 29, 2012	Last day for local jurisdiction to file appeal based upon application of SCAG's methodology, AB 2158 factors or changed circumstances.
June 8, 2012	Deadline for SCAG to notify jurisdiction of public hearing date before RHNA Subcommittee regarding appeal.
July 9-13, 2012	Period in which public hearing(s) before RHNA Subcommittee can be held for appealing jurisdictions.
July 23, 2012	End of the appeals process; RHNA Subcommittee to issue written decisions regarding all appeals by this date.
August 17, 2012	Deadline for jurisdictions who have undertaken the trade & transfer process to submit alternative distribution of draft allocations to SCAG.
Month of August 2012	Staff to begin preparing the proposed final RHNA Allocation Plan (Final RHNA Plan), which shall include alternative distribution/transfers and adjustments resulting from post-appeal reallocation process.
September 4, 2012	RHNA Subcommittee to review and recommend approval of Final RHNA Plan by SCAG's CEHD Committee.
September 6, 2012	CEHD Committee to review and recommend approval of the Final RHNA Plan by SCAG's Regional Council. SCAG staff notifies jurisdictions of public hearing date relating to the adoption of the Final RHNA Plan.
October 4, 2012	SCAG's Regional Council holds a public hearing to review and consider adoption of the Final RHNA Plan.
October 5, 2012	SCAG submits its adopted 5 <sup>th</sup> cycle Final RHNA Plan to HCD.
Dec 3, 2012	Deadline for final approval of SCAG's Final RHNA Plan by HCD.
October 31, 2013	Due date for jurisdictions in the SCAG Region to submit revised Housing Elements to HCD.

**Attachment 3**

**5th Cycle Final RHNA Allocation, adopted October 4, 2012**

Southern California Association of Governments  
5th Cycle Regional Housing Needs Assessment Final Allocation Plan, 1/1/2014 - 10/1/2021

Income Category Distribution*						Draft RHNA Components**				Final RHNA Allocation					
County		% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
Imperial		25.2%	15.8%	15.5%	43.5%	100.0%	17,428	479	49	1,404	4,194	2,553	2,546	7,258	16,551
Los Angeles		25.3%	15.6%	16.8%	42.3%	100.0%	200,572	6,131	1,268	28,297	45,672	27,469	30,043	76,697	179,881
Orange		22.9%	16.8%	18.5%	41.8%	100.0%	41,530	1,143	414	6,150	8,734	6,246	6,971	16,015	37,966
Riverside		23.7%	16.5%	18.3%	41.5%	100.0%	120,308	2,948	175	22,059	24,117	16,319	18,459	42,479	101,374
San Bernardino		23.3%	16.6%	18.4%	41.7%	100.0%	70,623	1,890	469	16,833	13,399	9,265	10,490	24,053	57,207
Ventura		23.5%	16.5%	18.6%	41.4%	100.0%	19,628	523	41	647	4,516	3,095	3,544	8,003	19,158
SCAG		24.3%	16.2%	17.6%	41.9%	100.0%	470,089	13,113	2,416	75,390	100,632	64,947	72,053	174,505	412,137
County	City	% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
Imperial	Brawley city	24.9%	15.9%	15.4%	43.8%	100%	3,080	90	4	141	760	470	466	1,338	3,034
Imperial	Calexico city	25.3%	15.5%	15.3%	43.9%	100%	3,139	91	8	13	817	489	490	1,428	3,224
Imperial	Calipatria city	25.9%	15.8%	15.5%	42.9%	100%	187	5	0	48	37	22	22	63	144
Imperial	El Centro city	25.2%	15.9%	15.5%	43.3%	100%	2,118	64	8	265	487	300	297	840	1,924
Imperial	Holtville city	25.5%	15.3%	15.4%	43.8%	100%	54	222	1	20	54	31	32	92	209
Imperial	Imperial city	26.5%	16.1%	15.5%	41.9%	100%	1,367	32	1	91	349	205	202	553	1,309
Imperial	Westmorland city	24.2%	15.5%	15.6%	44.6%	100%	230	7	3	8	57	35	36	105	233
Imperial	Unincorporated	25.1%	15.8%	15.5%	43.5%	100%	7,085	182	25	819	1,633	1,001	1,001	2,839	6,474
Los Angeles	Agoura Hills city	27.0%	16.6%	17.1%	39.4%	100%	113	2	0	0	31	19	20	45	115
Los Angeles	Alhambra city	25.4%	15.4%	16.6%	42.6%	100%	1,580	52	0	141	380	224	246	642	1,492
Los Angeles	Arcadia city	26.1%	16.2%	16.9%	40.8%	100%	1,141	30	0	117	276	167	177	434	1,054
Los Angeles	Artesia city	25.5%	15.1%	16.6%	42.8%	100%	112	3	5	0	31	18	20	51	120
Los Angeles	Avalon city	25.5%	15.0%	17.2%	42.3%	100%	149	6	3	79	20	12	14	34	80
Los Angeles	Azusa city	25.4%	15.5%	16.4%	42.7%	100%	868	25	6	120	198	118	127	336	779
Los Angeles	Baldwin Park city	25.3%	15.3%	16.2%	43.1%	100%	528	14	15	0	142	83	90	242	557
Los Angeles	Bell city	24.1%	15.2%	16.7%	44.0%	100%	40	1	6	0	11	7	8	21	47
Los Angeles	Bellflower city	25.3%	15.3%	16.5%	42.9%	100%	91	3	0	115	1	1	0	0	2
Los Angeles	Bell Gardens city	24.5%	15.0%	16.4%	44.1%	100%	33	1	12	0	11	7	8	20	46
Los Angeles	Beverly Hills city	26.0%	16.3%	17.1%	40.7%	100%	271	9	34	324	1	1	1	0	3
Los Angeles	Bradbury city	27.5%	17.1%	17.7%	37.7%	100%	7	0	1	7	1	1	0	0	2
Los Angeles	Burbank city	25.8%	15.8%	16.6%	41.9%	100%	2,767	88	62	234	694	413	443	1,134	2,684
Los Angeles	Calabasas city	26.7%	16.8%	17.5%	39.0%	100%	325	7	0	3	88	54	57	131	330
Los Angeles	Carson city	26.2%	15.9%	16.6%	41.3%	100%	1,662	36	0	0	447	263	280	708	1,698
Los Angeles	Cerritos city	26.5%	16.2%	17.0%	40.2%	100%	84	2	0	0	23	14	14	35	86
Los Angeles	Claremont city	26.2%	16.1%	17.1%	40.6%	100%	372	9	0	8	98	59	64	152	373
Los Angeles	Commerce city	25.1%	15.5%	15.9%	43.6%	100%	44	1	0	0	12	7	7	20	46
Los Angeles	Compton city	25.0%	25.0%	25.0%	25.0%	100%	11	0	4	302	1	1	0	0	2
Los Angeles	Covina city	26.0%	15.6%	16.6%	41.7%	100%	310	9	2	90	60	35	38	97	230
Los Angeles	Cudahy city	25.0%	14.7%	16.1%	44.2%	100%	303	12	3	0	80	46	51	141	318
Los Angeles	Culver City city	26.0%	16.0%	16.9%	41.1%	100%	180	5	0	0	48	29	31	77	185
Los Angeles	Diamond Bar city	26.8%	16.3%	16.7%	40.2%	100%	1,122	23	0	0	308	182	190	466	1,146
Los Angeles	Downey city	25.7%	15.4%	16.6%	42.2%	100%	854	25	19	84	210	123	135	346	814
Los Angeles	Duarte city	25.7%	16.0%	16.3%	42.0%	100%	329	8	0	0	87	53	55	142	337
Los Angeles	El Monte city	24.6%	15.0%	16.5%	43.8%	100%	2,069	67	34	28	529	315	352	946	2,142
Los Angeles	El Segundo city	26.5%	16.0%	17.3%	40.2%	100%	60	2	7	0	18	11	12	28	69
Los Angeles	Gardena city	24.7%	15.4%	16.6%	43.2%	100%	394	12	0	9	98	60	66	173	397
Los Angeles	Glendale city	25.1%	15.7%	16.8%	42.4%	100%	2,291	77	61	411	508	310	337	862	2,017
Los Angeles	Glendora city	26.4%	15.9%	16.8%	40.9%	100%	661	15	9	0	171	100	108	267	646
Los Angeles	Hawaiian Gardens city	24.9%	15.3%	16.4%	43.4%	100%	124	4	3	2	32	19	21	57	129

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County		% very low	% low income	% moderate	% above	Household	Base Vacancy	Total	Vacancy Credit	Number of very	Number of low	Number of	Number of	Total	
		income	households	income	income										total
		households	households	households	households	Growth (2014-2021)	Needs	Replacement		low income	income	income	income		
Los Angeles	Hawthorne city	24.8%	15.2%	16.5%	43.5%	100%	711	26	0	55	170	101	112	300	683
Los Angeles	Hermosa Beach city	26.8%	16.1%	17.4%	39.7%	100%	1	0	0	0	1	1	0	0	2
Los Angeles	Hidden Hills city	27.6%	17.0%	18.2%	37.2%	100%	18	0	3	2	5	3	3	7	18
Los Angeles	Huntington Park city	24.1%	14.7%	16.7%	44.5%	100%	845	31	18	0	216	128	149	402	895
Los Angeles	Industry city	25.0%	25.0%	25.0%	25.0%	100%	0	0	0	0	0	0	0	0	0
Los Angeles	Inglewood city	24.5%	15.2%	16.6%	43.7%	100%	1,159	39	75	261	250	150	167	446	1,013
Los Angeles	Irwindale city	25.9%	15.8%	16.4%	41.9%	100%	15	0	1	1	4	2	2	7	15
Los Angeles	La Canada Flintridge city	27.0%	16.5%	17.6%	38.8%	100%	110	2	0	0	30	18	20	44	112
Los Angeles	La Habra Heights city	26.8%	16.6%	17.5%	39.1%	100%	117	2	1	1	32	19	21	47	119
Los Angeles	Lakewood city	26.5%	16.0%	16.7%	40.8%	100%	425	10	0	32	107	63	67	166	403
Los Angeles	La Mirada city	26.2%	16.1%	17.0%	40.7%	100%	230	5	0	0	62	37	40	96	235
Los Angeles	Lancaster city	24.9%	15.7%	16.5%	42.9%	100%	3,980	107	33	1,610	627	384	413	1,086	2,510
Los Angeles	La Puente city	25.4%	15.1%	16.5%	43.0%	100%	942	25	0	0	208	121	135	354	818
Los Angeles	La Verne city	26.1%	16.1%	16.8%	41.0%	100%	585	13	3	39	147	88	94	233	562
Los Angeles	Lawndale city	25.0%	15.4%	16.4%	43.3%	100%	368	13	0	0	96	57	62	166	381
Los Angeles	Lomita city	25.8%	15.8%	16.8%	41.6%	100%	36	1	9	0	12	7	8	20	47
Los Angeles	Long Beach city	25.1%	15.5%	16.7%	42.8%	100%	9,487	309	0	2,748	1,773	1,066	1,170	3,039	7,048
Los Angeles	Los Angeles city	24.8%	15.5%	16.8%	42.8%	100%	95,023	3,186	0	16,207	20,427	12,435	13,728	35,412	82,002
Los Angeles	Lynwood city	24.9%	15.0%	16.5%	43.6%	100%	453	14	27	0	123	72	81	218	494
Los Angeles	Malibu city	26.4%	16.5%	17.4%	39.6%	100%	130	3	3	198	1	1	0	0	2
Los Angeles	Manhattan Beach city	26.9%	16.5%	17.5%	39.1%	100%	37	1	0	0	10	6	7	15	38
Los Angeles	Maywood city	24.3%	14.8%	16.7%	44.2%	100%	50	2	1	0	13	8	9	23	53
Los Angeles	Monrovia city	25.8%	15.9%	16.7%	41.6%	100%	388	12	14	25	101	61	65	162	389
Los Angeles	Montebello city	25.2%	15.5%	16.5%	42.8%	100%	1,031	32	3	0	269	161	175	461	1,066
Los Angeles	Monterey Park city	25.0%	15.5%	17.0%	42.5%	100%	755	21	41	2	205	123	137	350	815
Los Angeles	Norwalk city	25.8%	15.7%	16.3%	42.1%	100%	187	5	9	0	52	31	33	85	201
Los Angeles	Palmdale city	25.5%	15.5%	16.6%	42.4%	100%	6,432	158	0	1,139	1,395	827	898	2,332	5,452
Los Angeles	Palos Verdes Estates city	27.3%	16.8%	17.6%	38.3%	100%	3	0	15	2	4	3	3	6	16
Los Angeles	Paramount city	24.7%	15.2%	16.2%	43.9%	100%	151	5	0	51	26	16	17	46	105
Los Angeles	Pasadena city	25.4%	15.9%	16.9%	41.8%	100%	2,051	65	29	812	340	207	224	561	1,332
Los Angeles	Pico Rivera city	25.4%	15.8%	16.6%	42.2%	100%	829	20	0	0	217	131	140	362	850
Los Angeles	Pomona city	25.2%	15.3%	16.4%	43.0%	100%	3,862	110	0	346	919	543	592	1,572	3,626
Los Angeles	Rancho Palos Verdes city	26.9%	16.5%	17.4%	39.2%	100%	30	1	0	0	8	5	5	13	31
Los Angeles	Redondo Beach city	26.5%	16.4%	17.1%	40.0%	100%	1,293	38	121	56	372	223	238	564	1,397
Los Angeles	Rolling Hills city	27.3%	16.5%	17.8%	38.4%	100%	9	0	2	5	2	1	1	2	6
Los Angeles	Rolling Hills Estates city	27.1%	16.6%	17.9%	38.3%	100%	14	0	2	11	1	1	1	2	5
Los Angeles	Rosemead city	25.3%	15.0%	16.5%	43.2%	100%	550	17	35	0	153	88	99	262	602
Los Angeles	San Dimas city	26.1%	15.9%	16.8%	41.1%	100%	457	11	4	9	121	72	77	193	463
Los Angeles	San Fernando city	25.3%	15.3%	16.1%	43.3%	100%	221	6	5	15	55	32	35	95	217
Los Angeles	San Gabriel city	25.3%	15.6%	16.6%	42.4%	100%	958	29	0	57	236	142	154	398	930
Los Angeles	San Marino city	27.0%	16.6%	18.0%	38.4%	100%	2	0	0	0	1	1	0	0	2
Los Angeles	Santa Clarita city	26.4%	16.2%	17.0%	40.3%	100%	8,338	197	2	216	2,208	1,315	1,410	3,389	8,322
Los Angeles	Santa Fe Springs city	25.2%	15.8%	16.5%	42.5%	100%	350	9	0	35	82	50	53	139	324
Los Angeles	Santa Monica city	25.5%	16.1%	17.0%	41.5%	100%	1,745	64	83	218	428	263	283	700	1,674
Los Angeles	Sierra Madre city	26.3%	16.3%	17.1%	40.3%	100%	60	2	0	7	14	9	9	23	55
Los Angeles	Signal Hill city	26.1%	16.2%	16.5%	41.2%	100%	197	6	0	34	44	27	28	70	169
Los Angeles	South El Monte city	24.8%	14.9%	16.4%	43.9%	100%	162	5	6	0	43	25	28	76	172
Los Angeles	South Gate city	24.8%	15.1%	16.3%	43.8%	100%	1,172	37	53	0	314	185	205	558	1,262
Los Angeles	South Pasadena city	26.1%	16.2%	17.0%	40.7%	100%	130	4	3	74	17	10	11	25	63
Los Angeles	Temple City city	26.2%	15.8%	16.5%	41.5%	100%	531	14	61	2	159	93	99	252	603



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County		% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
		Los Angeles	Torrance city	26.1%	16.0%	16.8%	41.0%	100%	1,416	40	38	43	380	227	243
Los Angeles	Vernon city	0.0%	0.0%	0.0%	0.0%	0%	0	0	0	0	1	1	0	0	2
Los Angeles	Walnut city	26.9%	16.3%	17.1%	39.6%	100%	892	17	0	0	246	144	155	363	908
Los Angeles	West Covina city	26.0%	15.8%	16.7%	41.5%	100%	806	20	5	0	217	129	138	347	831
Los Angeles	West Hollywood city	24.8%	15.7%	16.9%	42.7%	100%	408	16	0	347	19	12	13	33	77
Los Angeles	Westlake Village city	27.0%	16.3%	17.5%	39.2%	100%	44	1	0	0	12	7	8	18	45
Los Angeles	Whittier city	25.9%	15.8%	16.7%	41.6%	100%	911	25	3	60	228	135	146	369	878
Los Angeles	Unincorporated	25.6%	15.6%	16.8%	42.0%	100%	30,574	804	269	1,503	7,854	4,650	5,060	12,581	30,145
Orange	Aliso Viejo city	23.9%	17.0%	18.2%	40.9%	100%	38	1	0	0	9	7	7	16	39
Orange	Anaheim city	21.9%	16.3%	18.3%	43.5%	100%	6,877	209	0	1,385	1,256	907	1,038	2,501	5,702
Orange	Brea city	22.9%	16.9%	18.2%	42.0%	100%	1,826	47	4	26	426	305	335	785	1,851
Orange	Buena Park city	22.4%	16.1%	18.3%	43.2%	100%	349	10	7	27	76	53	62	148	339
Orange	Costa Mesa city	24.8%	24.8%	25.0%	25.4%	100%	174	6	24	312	1	1	0	0	2
Orange	Cypress city	23.1%	16.8%	18.2%	42.0%	100%	295	7	6	0	71	50	56	131	308
Orange	Dana Point city	23.0%	16.6%	18.6%	41.8%	100%	474	13	17	178	76	53	61	137	327
Orange	Fountain Valley city	23.1%	16.9%	18.2%	41.9%	100%	350	8	0	0	83	59	65	151	358
Orange	Fullerton city	22.2%	16.6%	18.4%	42.8%	100%	2,163	62	32	416	411	299	337	794	1,841
Orange	Garden Grove city	21.9%	16.4%	18.2%	43.5%	100%	715	20	12	0	164	120	135	328	747
Orange	Huntington Beach city	23.0%	16.7%	18.4%	41.9%	100%	1,478	40	11	175	313	220	248	572	1,353
Orange	Irvine city	23.1%	17.1%	18.5%	41.3%	100%	12,686	380	0	918	2,817	2,034	2,239	5,059	12,149
Orange	Laguna Beach city	24.8%	24.8%	25.0%	25.4%	100%	32	1	1	172	1	1	0	0	2
Orange	Laguna Hills city	24.8%	24.8%	25.0%	25.4%	100%	124	3	0	166	1	1	0	0	2
Orange	Laguna Niguel city	23.4%	17.1%	18.5%	41.0%	100%	158	4	21	0	43	30	34	75	182
Orange	Laguna Woods city	24.8%	24.8%	25.0%	25.4%	100%	129	3	0	443	1	1	0	0	2
Orange	La Habra city	22.4%	16.1%	18.1%	43.3%	100%	135	4	0	135	1	1	1	1	4
Orange	Lake Forest city	23.6%	16.9%	18.3%	41.2%	100%	2,663	63	0	0	647	450	497	1,133	2,727
Orange	La Palma city	23.2%	16.8%	18.3%	41.7%	100%	9	0	0	0	2	2	2	3	9
Orange	Los Alamitos city	22.6%	17.1%	17.7%	42.6%	100%	55	2	4	0	14	10	11	26	61
Orange	Mission Viejo city	23.4%	16.9%	18.5%	41.2%	100%	173	4	0	0	42	29	33	73	177
Orange	Newport Beach city	23.3%	17.2%	19.0%	40.6%	100%	533	15	0	608	1	1	1	2	5
Orange	Orange city	22.8%	16.6%	18.4%	42.2%	100%	394	11	7	49	83	59	66	155	363
Orange	Placentia city	22.6%	16.9%	18.3%	42.2%	100%	479	12	1	0	112	81	90	209	492
Orange	Rancho Santa Margarita city	23.9%	16.9%	18.4%	40.7%	100%	12	0	1	31	1	1	0	0	2
Orange	San Clemente city	23.0%	16.8%	18.7%	41.5%	100%	662	17	4	101	134	95	108	244	581
Orange	San Juan Capistrano city	22.9%	16.7%	18.9%	41.5%	100%	625	14	0	2	147	104	120	267	638
Orange	Santa Ana city	21.8%	16.1%	18.1%	44.0%	100%	503	15	25	339	45	32	37	90	204
Orange	Seal Beach city	24.8%	24.8%	25.0%	25.4%	100%	19	0	10	186	1	1	0	0	2
Orange	Stanton city	21.8%	16.1%	18.1%	44.0%	100%	329	10	2	28	68	49	56	140	313
Orange	Tustin city	22.9%	16.3%	18.3%	42.5%	100%	1,219	36	127	155	283	195	224	525	1,227
Orange	Villa Park city	24.5%	17.3%	19.2%	39.1%	100%	14	0	0	0	3	2	3	6	14
Orange	Westminster city	24.8%	24.8%	25.0%	25.4%	100%	110	3	5	297	1	1	0	0	2
Orange	Yorba Linda city	23.8%	17.3%	18.9%	40.1%	100%	633	13	24	0	160	113	126	270	669
Orange	Unincorporated	23.4%	17.1%	18.7%	40.8%	100%	5,094	111	67	0	1,240	879	979	2,174	5,272
Riverside	Banning city	23.0%	16.0%	18.2%	42.8%	100%	4,120	101	8	437	872	593	685	1,642	3,792
Riverside	Beaumont city	24.2%	16.7%	18.5%	40.6%	100%	5,415	122	2	289	1,267	854	969	2,160	5,250
Riverside	Blythe city	22.7%	16.4%	18.7%	42.2%	100%	565	17	15	194	91	64	75	172	402
Riverside	Calimesa city	23.2%	16.8%	18.6%	41.4%	100%	2,439	51	1	150	543	383	433	982	2,341
Riverside	Canyon Lake city	25.3%	17.0%	18.9%	38.7%	100%	141	3	0	61	21	14	16	32	83
Riverside	Cathedral City city	23.5%	18.4%	18.4%	41.8%	100%	1,241	32	19	693	141	95	110	254	600
Riverside	Coachella city	23.0%	16.0%	18.0%	43.0%	100%	6,871	181	1	283	1,555	1,059	1,212	2,945	6,771

Southern California Association of Governments  
5th Cycle Regional Housing Needs Assessment Final Allocation Plan, 1/1/2014 - 10/1/2021

County		% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
Riverside	Corona city	25.0%	17.0%	18.4%	39.5%	100%	1,081	27	5	343	192	128	142	308	770
Riverside	Desert Hot Springs city	22.6%	16.1%	18.5%	42.8%	100%	4,944	151	3	903	946	661	772	1,817	4,196
Riverside	Eastvale city	25.6%	17.1%	18.7%	38.6%	100%	1,578	32	0	147	374	250	274	565	1,463
Riverside	Hemet city	22.2%	16.3%	18.6%	43.0%	100%	2,797	74	0	2,267	134	96	112	262	604
Riverside	Indian Wells city	25.3%	17.3%	19.2%	38.2%	100%	291	6	1	138	40	27	31	62	160
Riverside	Indio city	23.6%	16.5%	18.4%	41.5%	100%	4,053	103	0	1,131	714	487	553	1,271	3,025
Riverside	Jurupa Valley city	23.9%	16.1%	17.9%	42.1%	100%	1,975	49	0	313	409	275	307	721	1,712
Riverside	Lake Elsinore city	24.3%	16.7%	18.3%	40.8%	100%	5,211	131	11	424	1,196	801	897	2,035	4,929
Riverside	La Quinta city	25.0%	17.1%	18.2%	39.7%	100%	1,336	30	18	1,020	91	61	66	146	364
Riverside	Menifee city	23.9%	16.5%	18.3%	41.3%	100%	6,842	150	0	748	1,488	1,007	1,140	2,610	6,245
Riverside	Moreno Valley city	24.3%	16.5%	18.1%	41.1%	100%	7,114	182	15	1,142	1,500	993	1,112	2,564	6,169
Riverside	Murrieta city	25.1%	17.1%	18.5%	39.3%	100%	2,174	52	4	657	395	262	289	627	1,573
Riverside	Norco city	25.0%	17.0%	18.6%	39.4%	100%	809	17	4	12	205	136	151	326	818
Riverside	Palm Desert city	23.9%	16.5%	18.6%	41.0%	100%	1,960	50	0	1,596	98	67	76	172	413
Riverside	Palm Springs city	23.3%	16.3%	18.5%	42.0%	100%	2,010	55	8	1,802	63	43	50	116	272
Riverside	Perris city	24.0%	16.3%	17.8%	41.9%	100%	4,693	118	4	536	1,026	681	759	1,814	4,280
Riverside	Rancho Mirage city	24.3%	17.1%	18.6%	40.0%	100%	594	12	0	511	23	15	18	39	95
Riverside	Riverside city	24.2%	16.5%	18.2%	41.0%	100%	9,534	270	35	1,556	2,002	1,336	1,503	3,442	8,283
Riverside	San Jacinto city	23.1%	16.6%	18.2%	42.1%	100%	3,000	74	5	646	562	394	441	1,036	2,433
Riverside	Temecula city	25.2%	17.2%	18.2%	39.4%	100%	1,903	46	14	470	375	251	271	596	1,493
Riverside	Wildomar city	24.5%	16.8%	18.3%	40.4%	100%	2,620	60	1	146	621	415	461	1,038	2,535
Riverside	Unincorporated	23.8%	16.6%	18.4%	41.3%	100%	32,994	752	0	3,443	7,173	4,871	5,534	12,725	30,303
San Bernardino	Adelanto city	22.2%	16.5%	18.1%	43.1%	100%	3,276	91	8	534	633	459	513	1,236	2,841
San Bernardino	Apple Valley town	22.8%	16.6%	18.8%	41.8%	100%	4,055	98	0	819	764	541	622	1,407	3,334
San Bernardino	Barstow city	22.2%	16.8%	18.4%	42.6%	100%	1,456	44	4	662	188	138	154	363	843
San Bernardino	Big Bear Lake city	25.0%	25.0%	25.1%	24.8%	100%	188	5	11	776	1	1	0	0	2
San Bernardino	Chino city	24.3%	16.9%	18.5%	40.2%	100%	3,008	73	0	187	707	478	533	1,176	2,894
San Bernardino	Chino Hills city	25.0%	17.6%	19.1%	38.3%	100%	844	18	0	0	217	148	164	333	862
San Bernardino	Colton city	23.0%	16.1%	18.1%	42.8%	100%	2,265	67	17	425	443	302	347	831	1,923
San Bernardino	Fontana city	24.0%	16.7%	18.3%	40.9%	100%	6,385	155	0	564	1,442	974	1,090	2,471	5,977
San Bernardino	Grand Terrace city	23.6%	16.9%	18.4%	41.1%	100%	158	4	0	44	28	19	22	49	118
San Bernardino	Hesperia city	23.1%	16.4%	18.4%	42.1%	100%	2,416	60	7	768	398	274	314	729	1,715
San Bernardino	Highland city	23.2%	16.8%	18.8%	41.2%	100%	1,744	44	3	291	349	246	280	625	1,500
San Bernardino	Loma Linda city	23.1%	16.6%	18.6%	41.7%	100%	1,354	45	3	308	254	177	202	462	1,095
San Bernardino	Montclair city	23.4%	16.7%	18.0%	41.9%	100%	709	19	3	35	164	114	125	294	697
San Bernardino	Needles city	21.0%	16.6%	18.9%	43.4%	100%	359	10	3	191	38	29	34	80	181
San Bernardino	Ontario city	23.8%	16.5%	18.3%	41.5%	100%	10,921	310	22	392	2,592	1,745	1,977	4,547	10,861
San Bernardino	Rancho Cucamonga city	24.5%	17.1%	18.7%	39.8%	100%	1,002	26	9	188	209	141	158	340	848
San Bernardino	Redlands city	23.8%	16.7%	18.7%	40.8%	100%	2,765	74	8	418	579	396	453	1,001	2,429
San Bernardino	Rialto city	23.4%	16.3%	18.3%	42.0%	100%	3,304	85	0	674	636	432	496	1,151	2,715
San Bernardino	San Bernardino city	22.3%	16.3%	18.5%	43.0%	100%	6,116	183	113	2,028	980	696	808	1,900	4,384
San Bernardino	Twentynine Palms city	22.5%	16.3%	18.6%	42.6%	100%	807	28	2	384	103	72	84	195	454
San Bernardino	Upland city	24.0%	16.7%	18.6%	40.7%	100%	1,945	54	3	412	382	260	294	653	1,589
San Bernardino	Victorville city	23.0%	16.8%	18.3%	42.0%	100%	8,679	230	42	1,579	1,698	1,207	1,342	3,124	7,371
San Bernardino	Yucaipa city	23.4%	16.7%	18.7%	41.2%	100%	1,942	44	13	395	376	261	299	669	1,605
San Bernardino	Yucca Valley town	22.4%	16.4%	18.6%	42.6%	100%	1,262	33	2	366	209	149	172	400	930
San Bernardino	Unincorporated	23.0%	16.5%	18.5%	41.9%	100%	3,662	89	197	4,392	9	6	7	17	39
Ventura	Camarillo city	24.1%	16.9%	18.6%	40.4%	100%	2,229	54	0	59	539	366	411	908	2,224
Ventura	Fillmore city	23.0%	16.6%	18.5%	41.9%	100%	714	18	2	40	160	112	128	294	694
Ventura	Moorpark city	24.7%	17.3%	18.7%	39.3%	100%	1,135	25	4	0	289	197	216	462	1,164

Southern California Association of Governments  
5th Cycle Regional Housing Needs Assessment Final Allocation Plan, 1/1/2014 - 10/1/2021

County		% very low income households	% low income households	% moderate income households	% above moderate income households	% total	Household Growth (2014-2021)	Base Vacancy Needs	Total Replacement Needs	Vacancy Credit	Number of very low income households	Number of low income households	Number of moderate income households	Number of above moderate income households	Total
Ventura	Ojai city	23.3%	16.3%	19.0%	41.4%	100%	382	11	0	22	87	59	70	155	371
Ventura	Oxnard city	23.0%	16.3%	18.6%	42.1%	100%	7,090	200	11	0	1,688	1,160	1,351	3,102	7,301
Ventura	Port Hueneme city	23.1%	15.9%	18.2%	42.8%	100%	162	5	0	173	1	1	0	0	2
Ventura	San Buenaventura (Ventura) cit	23.5%	16.6%	18.5%	41.5%	100%	3,706	105	6	163	861	591	673	1,529	3,654
Ventura	Santa Paula city	22.3%	16.0%	18.9%	42.8%	100%	1,261	35	2	14	288	201	241	555	1,285
Ventura	Simi Valley city	24.6%	17.0%	18.4%	40.1%	100%	1,228	28	0	0	310	208	229	509	1,256
Ventura	Thousand Oaks city	24.6%	17.1%	18.8%	39.5%	100%	188	4	0	0	47	32	36	77	192
Ventura	Unincorporated	24.2%	16.9%	18.7%	40.3%	100%	1,534	37	15	177	246	168	189	412	1,015

\*Final income category distribution is based on 2005-09 ACS data, HCD's regional income category distribution, 110% social equity adjustment, and adjustments resulting from any incorporation agreements. Due to rounding, the Final RHNA Allocation may not follow the exact percentage.

\*\*The Draft RHNA Allocation components do not total the Final RHNA Allocation due to adjustments resulting from the revision request process (La Puente and County of Ventura), and a correction made due to the inclusion of unincorporated county growth (Glendora). In some local jurisdictions, the sum of the components may not equal to the Final RHNA Allocation.

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# REPORT

**DATE:** October 23, 2013  
**TO:** RHNA and Housing Element Subcommittee  
**FROM:** Joann Africa, Chief Counsel, (213) 236-1928, [africa@scag.ca.gov](mailto:africa@scag.ca.gov)  
**SUBJECT:** Proposed RHNA and Housing Element Reform Subcommittee Charter

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:** Recommend that the Community, Economic and Human Development (CEHD) Committee recommend approval of the RHNA and Housing Element Reform Subcommittee Charter by the Regional Council.

**EXECUTIVE SUMMARY:** *The attached proposed “RHNA and Housing Element Reform Subcommittee Charter” (Charter) was developed to describe the RHNA and Housing Element Reform Subcommittee’s purpose and responsibilities. The RHNA and Housing Element Reform Subcommittee serves a significant role as it will review and recommend possible changes to the RHNA and housing element processes. The Subcommittee is asked to review and approve the proposed Charter. The final draft of the Charter will be forwarded to the CEHD Committee for its review and recommendation for Regional Council approval.*

**STRATEGIC PLAN:** This item supports SCAG’s Strategic Plan Goal #3 (Optimize Organizations Efficiency and Cultivate an Engaged Workforce), Objective c (Define the roles and responsibilities at all levels of the organization).

**BACKGROUND:**

The attached proposed Charter has been developed to describe the RHNA Reform and Housing Element Subcommittee’s purpose and responsibilities. The RHNA and Housing Element Reform Subcommittee serves a significant role as it will review and recommend possible changes to agency policies and procedures related to the RHNA process. The Subcommittee may also provide recommendations regarding proposals related to changes to State administrative policies and state law regarding RHNA and the Housing Element process.

Staff requests that the Subcommittee review and approve the proposed Charter, and recommend its approval to the CEHD Committee for review and recommendation of approval by the Regional Council.

**FISCAL IMPACT:**

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee along with additional related direct costs (i.e., stipends, meals, mileage and parking) will be drawn from the General Fund reserves until the FY 13-14 General Fund Budget is amended accordingly.

**ATTACHMENT:**

1. Proposed RHNA and Housing Element Reform Subcommittee Charter

## **RHNA AND HOUSING ELEMENT REFORM SUBCOMMITTEE CHARTER**

### **Purpose of the Subcommittee**

The purpose of the RHNA and Housing Element Reform Subcommittee (“Subcommittee”) is to review and provide guidance to address issues that were raised during the 5<sup>th</sup> Cycle RHNA process that may lead to suggested changes of the state law as well as to the policies and/or processes of the Southern California Association of Governments (SCAG) and the California State Department of Housing and Community Development (HCD) regarding the Regional Housing Needs Assessment (RHNA) and Housing Element updates. The decisions and actions of the Subcommittee, will serve as recommendations to SCAG’s Community, Economic and Human Development (CEHD) Committee, who thereafter, will make the final recommendations to the Regional Council.

### **Authority**

Established by the Regional Council on March 7, 2013, the RHNA & Housing Element Subcommittee shall serve as a subcommittee of the CEHD Committee. The RHNA and Housing Element Reform Subcommittee shall be dissolved as of the date in which the final recommendations by CEHD regarding the decisions of the Subcommittee are reviewed and approved by the SCAG Regional Council.

### **Composition**

The RHNA and Housing Element Reform Subcommittee will consist of twelve (12) members of either the Regional Council or the SCAG Policy Committees who collectively represent the six (6) counties of the SCAG region. Each county shall have a primary member and an alternate member to serve on the Subcommittee. The SCAG President will appoint the members of the Subcommittee and will select one of the members to serve as the Chair of the Subcommittee. It should be noted the appointments to the Subcommittee were made by the SCAG President on June 6, 2013.

### **Meetings and Voting**

A meeting quorum shall be established when there is attendance by at least one representative (either a primary member or an alternate member) from each of the six (6) counties.

All Subcommittee members are expected to attend each meeting, to the extent feasible. Subcommittee members may attend meetings by teleconference or video-conference. All meetings of the RHNA and Housing Element Reform Subcommittee are subject to the Brown Act. The Chair of the Subcommittee shall preside over all meetings and may select another Subcommittee member to serve as the Vice-Chair in the Chair’s absence. The Subcommittee will invite SCAG staff or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to Subcommittee members, along with appropriate briefing materials and reports, in accordance with the Brown

Act. Minutes of each meeting will be prepared. The Attendance Policy as set forth in the Regional Council Policy Manual shall apply to the meetings of the Subcommittee.

For purposes of voting, each county shall be entitled to one (1) vote to be cast by either the primary member or alternate member representing the respective county; provided, however, that the Chair of the Subcommittee does not vote except to break a tie vote.

### **Responsibilities**

The responsibilities of RHNA and Housing Element Reform Subcommittee include reviewing and providing written recommendations to the CEHD Committee for suggested changes to issues pertaining to RHNA and the Housing Element processes, including but not limited to the following subjects:

- Translation of AB 2158 factors into housing need;
- Low and very low income household default densities’
- Land use density for mixed use projects;
- Definition of affordable unit;
- Excluding growth on Tribal (Sovereign Nation) land from jurisdiction RHNA allocation;
- Use of Council of Government’s growth forecast vs. Department of Finance projections with a 3% margin; and
- Lack of funding for building affordable units.

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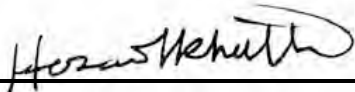
# REPORT

**DATE:** October 23, 2013

**TO:** RHNA and Housing Element Reform Subcommittee

**FROM:** Huasha Liu, Director, Land Use and Environmental Planning, 213-236-1838, liu@scag.ca.gov

**SUBJECT:** Regional Housing Needs Assessment (RHNA) and Housing Element Reform Subcommittee Topic Outlook

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

Approve topics to be discussed and scheduled for discussion by the Subcommittee.

**EXECUTIVE SUMMARY:**

*During the 5<sup>th</sup> Cycle RHNA process, a number of issues were raised pertaining to the RHNA process and the development and review of local housing elements. Depending on the issue and scope of discussion, reform to address these issues can potentially be addressed by one of three ways: (1) SCAG process refinement; (2) California Department of Housing and Community Development (HCD) administrative changes; or (3) legislative changes. The suggested Subcommittee meeting outlook is arranged by topic in order to facilitate an effective discussion among Subcommittee members.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**BACKGROUND:**

Per Government Code Section 65584, SCAG is required to develop and adopt a RHNA Plan that represents projected household growth for each jurisdiction in the region for a designated planning period. Jurisdictions are thereafter required by state housing law to update their respective housing elements to demonstrate where they will accommodate their assigned projected household growth.

SCAG recently completed its 5th Cycle RHNA with the adoption of the Final RHNA Allocation Plan by the Regional Council on October 4, 2012 and approval of the Final Allocation Plan by HCD on November 26, 2012. The Final RHNA Allocation Plan was the result of a two-year process involving the work and coordination of HCD, RHNA Subcommittee, Community, Economic and Human Development (CEHD) Committee, Regional Council, local jurisdictions, and SCAG staff.

During the 5<sup>th</sup> Cycle RHNA process, the RHNA Subcommittee reviewed and provided guidance to SCAG staff that culminated in the adoption of the Final RHNA Plan in October 2012. However, there were a number of issues pertaining to the RHNA and housing element processes, and the corresponding state law that were raised during the process and remained unresolved. Subsequently, at its March 2013 meeting, the

# REPORT

Regional Council approved the CEHD Committee recommendation to reconvene the RHNA Subcommittee (to be called the “RHNA and Housing Element Reform Subcommittee”) for six months (six meetings) and to fund additional costs (staffing, stipends, mileage, meals, etc.) with General Fund reserves.

The list of issues identified in this report and corresponding attachments are a summary of issues that SCAG staff believes to date warrant additional review by the RHNA and Housing Element Reform Subcommittee. SCAG staff will include other subjects or suggestions as directed by the Subcommittee.

SCAG staff proposes that the Subcommittee meetings be separated by topic. The reason for this is to maximize focus on topics and create opportunities for in-depth Subcommittee discussions. The meetings listed in Table 1 below outline topics by category (details provided in Attachment 1). Analyses for each topic will be provided as part of the staff reports for each corresponding meeting agenda.

**Table 1**

<b>Meeting</b>	<b>Proposed Date</b>	<b>Topics for Discussion</b>
1	October 23, 2013	Subcommittee charter; Subcommittee topic outlook and schedule
2	December 2013	SCAG administrative-related issues; RHNA regional determination process
3	January 2014	Development of RHNA allocations
4	March 2014	Revision request and appeals processes
5	May 2014	Housing element review; funding and other considerations
6	June 2014	Finalization of recommendations

Recommended action for RHNA and Housing Element reform is anticipated to occur in three ways: (1) SCAG process refinement; (2) HCD administrative changes; or (3) legislative changes. Attachment 2 identifies the RHNA and housing element reform issues raised during the RHNA process and lists them by the assumed action category.

A SCAG process refinement may involve changes to the current SCAG process and will not affect other Councils of Governments (COG) for their respective RHNA processes. These issues are limited to the RHNA process since under current state housing law SCAG does not review or approve housing elements. Given the recent completion of the 5<sup>th</sup> RHNA Cycle, some issues addressed through a SCAG process refinement may not occur or be implemented until the 6<sup>th</sup> RHNA Cycle, which is scheduled for adoption in 2020. Nevertheless, SCAG staff recognizes the importance of identifying and discussing these issues with the Subcommittee at this time.

HCD administrative changes are issues that will require HCD’s consideration and approval for implementation. Such changes might affect the RHNA process of other COGs and housing element updates for jurisdictions outside of SCAG. It is SCAG staff’s intent to coordinate with HCD staff on resolving these issues and have HCD staff participate in Subcommittee meetings when these issues are discussed. SCAG appreciate that HCD is committed to working with SCAG to maximize opportunities for RHNA and housing element administrative changes, and we look forward to continuing collaboration with HCD staff.

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SCAG staff would also bring these items to the statewide MPO/State Agency Working Group such that other Metropolitan Planning Organizations (MPOs) and COGs can consider these proceedings.

Unlike SCAG process refinement and HCD administrative changes, legislative changes would require input from various parties including HCD, housing and other interested stakeholders such as the League of California cities, housing advocates, and other COGs/ MPO, as appropriate. Legislative changes also require SCAG's Legislative, Communications and Membership Committee (LCMC) review before Regional Council action and require legislation sponsorship.

A report summarizing the discussions of the Subcommittee along with recommendations for action and implementation will be included as part of the agenda for the final meeting of the Subcommittee. Those recommendations will be forwarded to the CEHD Committee and Regional Council for further recommendation and action, and the LCMC, as necessary.

## **FISCAL IMPACT:**

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee along with additional related direct costs (i.e., stipends, meals, mileage and parking) will be drawn from the General Fund reserves until the FY 13-14 General Fund Budget is amended accordingly.

## **ATTACHMENTS:**

1. Subcommittee Topic Outlook
2. RHNA and Housing Element Reform Matrix

**ATTACHMENT #1**  
**Subcommittee Topic Outlook**

**Meeting 1 (Date: October 23, 2013):** Charter and Outlook

- Subcommittee charter
- Topic outlook.

**Meeting 2 (Proposed Date: December 2013):** SCAG-related administrative issues pertaining to the RHNA process; RHNA regional determination process

- Teleconferencing (A5)
- Communication with planning directors (A10)
- Growth on Tribal lands (B3)
- Margin between SCAG and Department of Finance projections (B4)

**Meeting 3 (Proposed Date: January 2014):** RHNA allocation development for local jurisdictions.

- Preliminary draft of RHNA allocation (A7)
- Local input on growth forecast (A1, A8)
- Funding for RHNA delegation (A3)
- Facilitation of trade and transfers (A2)
- Formula for “AB 2158” local planning factors (B5)
- Consideration of general plan development and implementation (B6)

**Meeting 4 (Proposed Date: March 2014):** Revision request and appeals processes

- Neutral third party hearing board (A4)
- Sample template of appeals (A9)
- Posting to SCAG staff responses to filed revision requests and appeals (A6)
- Revision request and appeals processes timeline (C1, C3)
- Definition of change in circumstances (B7)

**Meeting 5 (Proposed Date: May 2014):** Housing element development and review; Funding and incentives

- Smaller city exceptions (C4)
- Default density ranges and mixed use designations (B1)
- Existing housing needs statistics preparation, usage, and review (B2)
- Housing element preparation and implementation timeline (B9, C2)
- Housing element compatibility with community design (C5)
- Funding for RHNA and housing element preparation (B8)
- Incentives for housing element compliance (D1)

**Meeting 6 (Proposed Date: June 2014):** Summary of discussion and approval of recommended action(s) to be presented to CEHD, Regional Council, and LCMC, as appropriate.

## ATTACHMENT 2

### **Regional Housing Needs Assessment (RHNA) and Housing Element Reform Matrix**

The following identifies matters that were raised as part of the 5<sup>th</sup> cycle RHNA process, including suggested ideas for potential RHNA or Housing Element reform and SCAG staff's initial response and/or recommendation with respect to the specific matter. The matrix is separated into three categories: (A) topics that involve a possible "SCAG process refinement"; (B) topics that involve possible "HCD Administrative changes" and (C) topics that involve possible "Legislative changes." A final category, section D, has been added to identify topics related to RHNA and housing element reform but involve programs and policies outside of state housing law. Some of the recommendations noted below will require further action beyond the SCAG Regional Council, including discussion and possible action by other stakeholders, such as the State Department of Housing and Community Development (HCD), other Council of Governments (COGs), housing advocates, and the California League of Cities, as appropriate. SCAG appreciates that HCD is committed to working with SCAG to maximize opportunities for RHNA and housing element administrative changes, and we look forward to the continuing collaboration with HCD staff.

SCAG staff has prepared this topic matrix to provide a concise summary as a starting point for more detailed discussions (topics not listed in priority order).

**A) SCAG Process Refinement**

The following are topics that may involve possible changes to the current SCAG RHNA process. It should also be noted that many of these topics are best addressed as part of the 6<sup>th</sup> cycle RHNA process though SCAG staff recognizes the importance of identifying these issues at this time.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
A1	RHNA	Overarching principles regarding the local input process should be established. (SCAG Staff)	During the 5 <sup>th</sup> RHNA cycle, local input was accepted by SCAG and used as the basis to develop projected household growth.	Principles and guidelines should be discussed by the Subcommittee to guide the local input process in developing the RHNA allocation. Recommend to be revisited and implemented before 6 <sup>th</sup> cycle RHNA process beginning in 2018. For continual education for the Regional Council, SCAG will provide regular updates on the RHNA process in between cycles.
A2	RHNA	SCAG should encourage and facilitate “appropriate” trade and transfer. Make facilitation services available to jurisdictions that elect to conduct a Trade and Transfer process. (County of Ventura)	“Trade and transfer” is allowed by state housing law and SCAG has developed appropriate guidelines (see Trade and Transfer Guidelines).	SCAG staff will engage the Subcommittee on further discussion of this process and will continue to encourage and facilitate the trade and transfer process.
A3	RHNA	Identify funding sources for counties to distribute RHNA numbers internally rather than rely on SCAG to conduct that process. (County of Ventura)	Funding sources were available during the RHNA process from the SCAG General Fund to jurisdictions choosing to accept RHNA delegation.	Based on available resources and policy discussions of the Subcommittee and Regional Council, SCAG will continue to make funding available for jurisdictions that accept RHNA delegation.
A4	RHNA	A neutral third party should hear RHNA revision request and appeals. (Ojai)	Revision requests and appeals were reviewed and decided by the RHNA Subcommittee/RHNA Appeals Board, which was comprised of SCAG Regional Council and Policy Committee members.	The pros and cons with each approach will be described in a staff report to the Subcommittee. Recommend to be revisited and implemented during 6 <sup>th</sup> cycle RHNA process beginning in 2019.
A5	RHNA	Utilize teleconference technology to allow for participation from all counties in SCAG to allow for participation of non-Subcommittee members. (County of Ventura)	The RHNA Subcommittee/Appeals Board charter did not make teleconferencing available to the general public for meetings. Videoconferencing was available for most meetings.	There are pros and cons with each approach as well as Brown Act and technology limitations and costs, and will be described in a staff report to the Subcommittee. Recommend to be revisited and implemented during 6 <sup>th</sup> cycle RHNA process beginning in 2019.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
A6	RHNA	Distribute staff responses to a revision request or appeal at least one week prior to the hearing so that adequate time is available to review staff comments. (County of Ventura)	Staff responses to revision requests and appeals were provided prior to the public hearings pursuant to Brown Act (i.e., at least 72 hours prior to hearing).	Staff will continue to meet the legal requirements for public review and will also provide as much additional time as possible accounting for number of responses and staff resources. This applies to both the revision request and appeals processes.
A7	RHNA	Identify a preliminary draft RHNA distribution earlier in the process, and provide a formal comment and response system to ensure potential issues with a proposed RHNA distribution are identified and resolved early in the process. (County of Ventura)	The opportunity to provide input to the growth projections was made available to all jurisdictions prior to the distribution of the Draft RHNA. Comments provided to staff were responded to and logged in an internal system.	SCAG staff has provided such preliminary information timely to all jurisdictions in the SCAG region. SCAG will continue to do so for the 6 <sup>th</sup> cycle RHNA process and encourages the participation of all jurisdictions.
A8	RHNA	Prior to the next RHNA process, assign technical staff to work with local jurisdictions to develop accurate land use data maps and forecasting models. When necessary, arrange a meeting between local agencies and SCAG managers to resolve issues. (County of Ventura)	SCAG forecast and data staff surveyed local input from all jurisdictions and met with individual jurisdictions on projected household growth and to gather information on local land use. SCAG staff conducted further outreach to jurisdictions that did not provide an initial response to surveys. The iterative process was conducted over the course of two years.	SCAG staff conducted extensive outreach with all jurisdictions and met with them to survey for local input not only for the purpose of development accurate land use maps but also to resolve potential challenges. SCAG will continue to do so for the 6 <sup>th</sup> cycle RHNA process and encourages the participation of all jurisdictions.
A9	RHNA	Provide a template for submittals and/or examples of submittals that meet SCAG expectations. (County of Ventura)	Although general guidelines were available, specific templates or examples were not published for the revision request or appeals processes. An appeal application that resulted in a granted appeal was provided to a jurisdiction on request.	SCAG staff will provide a sample packet as a guideline for revisions requests and appeals and will provide examples of past applications that resulted in a granted appeal during the preparation of the 6 <sup>th</sup> cycle RHNA.
A10	RHNA	Direct communications to the Planning Department (or equivalent) or more specifically to the Planning Director or assigned point-of-contact for the RHNA process. (County of Ventura)	Public notices and other mass correspondence were provided via email or mail to Planning Directors, in addition to City Managers/County Administrators and other stakeholders.	SCAG has and will continue to address public notices and other mass correspondence via email or mail to Planning Directors, in addition to City Managers/County Administrators and other stakeholders.

**B) HCD Administrative Changes**

The following are topics that may involve possible administrative changes by HCD and therefore, will require HCD’s approval for implementation. It is SCAG staff’s intent to coordinate and work with HCD staff on resolving these matters and have them participate in Subcommittee meetings when these topics are discussed. SCAG appreciates that HCD is committed to working with SCAG to maximize opportunities for RHNA and housing element administrative changes, and we look forward to continuing collaboration with HCD staff.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD
B1	Housing Element	There should be a range of default densities established for jurisdictions to determine appropriate densities for affordable housing units. Circumstances such as mixed use projects should be considered. (Ontario)	A jurisdiction can choose to use a default density instead of preparing its own analysis to determine unit affordability. Most jurisdictions in the SCAG region have a default density of 30 units per acre. Jurisdictions with less than 25,000 population or defined as “suburban” in state housing law have a default density of 20 units per acre.	SCAG staff recommends that HCD consider a range for default density rather than a single number, which will provide flexibility for local jurisdictions.  Staff also recommends working with HCD to establish a separate default density range for mixed-use projects.
B2	Housing Element	HCD should formalize the streamlining review policy that was applied during the 5 <sup>th</sup> cycle regarding existing housing needs data. The streamline review allowed for local jurisdictions to meet the existing housing needs data requirement in its housing element if they used data provided by the COG which was based on the existing housing needs data listing as described in state housing law and pre-approved by HCD. (SCAG staff)	As part of the streamlining review process for the 5 <sup>th</sup> housing element cycle, HCD pre-approved the use of SCAG’s existing housing need data set, which meets existing housing need data requirements in the preparation of local housing element updates. SCAG voluntarily made this data available on-line for local jurisdictions in a user friendly and interactive format.	HCD should consider formalizing the streamlining review policy for existing housing needs data used in the 5 <sup>th</sup> cycle that allowed COGs such as SCAG to develop pre-approved data sets for use by jurisdictions in developing their local housing element update.



Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD
B3	RHNA	Projected growth from Tribal lands should be excluded from jurisdictional RHNA allocation. (Coachella Valley Association of Governments)	The 4 <sup>th</sup> RHNA cycle regional allocation included growth on Indian Tribal lands; the 5 <sup>th</sup> RHNA cycle regional allocation excluded growth on Tribal lands, per determination by HCD.	Tribal lands are sovereign nations and jurisdictions do not have land use authority over Tribal lands. Accommodation or exclusion of future housing need generated by Tribal lands is not currently specified in state housing law and is subject to HCD determination. A formal HCD policy specifying exclusion of projected growth on Tribal Lands is recommended.
B4	RHNA	The 3% allowable difference between the DOF and COG population projection during the HCD and COG consultation process should be applied to the total population rather than the growth. (SCAG staff)	State housing law does not define whether the 3% allowable difference between the COG regional projection forecast and DOF projection applies to growth or total.	SCAG staff continues to apply the 3% allowable difference to the total population rather than to the growth.
B5	RHNA	Translate AB 2158 factors/resource limitations into housing need. Develop a formula that is consistent with the intent of AB 32 and SB 375, and perhaps base it on General Plan build out levels. In keeping with SCAG’s long-standing advocacy for jobs-housing balance, the formula should include, if not include as a major element, a strong connection between anticipated commercial/industrial development and forecast housing. Input provided by jurisdictions may not be approved by surrounding jurisdictions or may not be consistent with growth patterns of the area. (Ojai; County of Ventura; Oxnard)	Jurisdictional RHNA growth was determined using local input as the basis. AB 2158 factors are collected via survey by SCAG as part of its development of the RHNA Methodology.	While a formula would provide a clear and concise manner for the application of local planning factors specified in state law and develop a consistent growth pattern for all jurisdictions, a consensus on a specific formula would be difficult, if not impossible, to achieve. The current method of local input allows for jurisdictions to determine their unique opportunities and constraints appropriate to their circumstances. The Subcommittee staff report will provide more detail on this topic. Staff welcomes any suggestions from stakeholders on a proposed formula for further discussion.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD
B6	RHNA	General Plan updates in progress should be considered during the local input process to SCAG as well as in the final RHNA determination. (Oxnard)	SCAG continued to accept local input from jurisdictions on projected household growth until the adoption of the final RHNA Methodology. The 5 <sup>th</sup> cycle RHNA Methodology was adopted 11 months prior to the adoption of the Final RHNA allocation Plan.	A jurisdiction can coordinate a general plan update with the local input process for developing the SCAG RHNA projections, but the RHNA process must have a determined cutoff date for local input in order to consistently apply the final RHNA Methodology to the draft RHNA allocation for all jurisdictions. SCAG staff will facilitate a discussion by the Subcommittee regarding the timeline for submission of local data.
B7	RHNA	The term “change in circumstance” should be defined so as to better understand this as a basis for an appeal to the draft RHNA allocation. (SCAG staff)	State housing law does not provide a definition of what situation or challenge would qualify as a “change in circumstance.”	SCAG staff proposes that affected jurisdictions work with COGs in a bottom-up process to develop proposed examples of the term “change in circumstance” and engage HCD in providing a clear definition and examples of the term.
B8	Housing Element	There should be state funding for the development of RHNA and housing elements since they are statewide mandates for jurisdictions. (Oxnard)	No specific state funding is available for jurisdictions to update local housing elements.	State law provides that SCAG can set fees for the development of the RHNA. SCAG charges its non-member jurisdictions to develop RHNA, but does not charge member jurisdictions given that SCAG’s work on RHNA development is funded primarily through the SCAG General Fund which is comprised largely of SCAG member dues. For housing element related costs, SCAG recommends that direct funding to jurisdictions from the state be discussed by the Subcommittee.
B9	Housing Element	The housing element zoning implementation timeframe is unrealistic and there should be a hardship process for more time with demonstrated progress. (Oxnard)	Zoning changes corresponding to housing element updates must be completed in a specific time frame, (generally three years after a housing element is adopted).	Staff will relay individual concerns regarding the zoning implementation timeframe to HCD.

**C) Legislative Changes**

The following are topics that may involve possible legislative proposals which, by their nature, will require input from various parties beyond HCD. Stakeholders include SCAG’s Legislative, Communications and Membership Committee (LCMC), HCD and other interested parties such as the League of California Cities, housing advocates, and other COGs/MPOs, as appropriate. Legislative changes require LCMC review before Regional Council action and require legislation sponsorship. It is SCAG staff’s intent to coordinate and work with HCD staff on resolving the following topics and have them participate in Subcommittee meetings when these matters are discussed. SCAG appreciates that HCD is committed to working with SCAG to maximize opportunities for RHNA and housing element administrative changes, and we look forward to the continuing collaboration with HCD staff in this regard. Legislative changes are the last resort if the identified challenges cannot be addressed through HCD administrative changes.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
C1	RHNA	Consolidate the revision and appeal processes into one process. (Association of California Cities – Orange County)	The revision and appeal process timelines are described in state housing law as two separate processes.	Since the separate revision request and appeals processes allow a jurisdiction multiple avenues to request for a review of their respective draft RHNA allocation, it is likely in the best interests of local jurisdictions to keep as separate the revision request and appeals processes.
C2	Housing Element	The housing element development timeframe is unrealistic and there should be a hardship process for more time with demonstrated progress. (Oxnard)	Housing element updates must be completed in a specific time frame, as outlined in state housing law (generally, 12 months after the COG’s adoption of the Final RHNA plan).	Regarding the housing element update timeframe, with the most recent streamlined review process made available by HCD, SCAG staff believes that the 12 month housing element update timeframe is workable.
C3	RHNA	The revision request process should be longer. (County of Ventura)	The revision request process is completed within the specific amount of time as described in state housing law.	SCAG staff believes that the 120 day limit for the revision request process set forth in State law is adequate, but will facilitate a discussion by the Subcommittee at its discretion.
C4	Housing Element	Cities with less than 25,000 should have more flexibility for the application of default densities in their housing elements than larger cities. (Ojai)	Cities with a population of less than 25,000 have lower default densities than larger cities. Most jurisdictions in the SCAG region have a default density of 30 units per acre. Jurisdictions with less than 25,000 population or defined as “suburban” in state housing law have a default density of 20 units per acre.	SCAG staff will facilitate a discussion with HCD to allow for a default density range when determining appropriate densities for accommodating low and very low income households. In addition, staff will seek for clarification regarding AB 745, which would allow local jurisdictions to request that council of governments adjust the default densities under state law if they are not consistent with local jurisdiction’s existing density.

C5	Housing Element	When reviewing the housing element of smaller jurisdictions, HCD should consider compatibility of the proposed zoning and planning with community design regarding building height, view protection, and development density unique to smaller jurisdictions. Affordable overlays and inclusionary programs should be the preference of HCD. (Ojai; Oxnard)	State housing law does not take into account housing compatibility in a housing element with community design regarding building height, view protection, and development intensity.	HCD should allow for a range of default densities for different types of uses and other considerations indicated in a housing element so that it is compatible with surrounding uses. Staff should facilitate a discussion between HCD and the Subcommittee regarding community design in housing element review.
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**Local Sustainable Development and Looking Ahead**

The following are topics that are related to RHNA and housing element reform but involve programs and policies outside of state housing law. These topics are included as part of the matrix so that they may be integrated into the overall discussion by the Subcommittee.

- Suggestions from the RHNA and Housing Element Reform Subcommittee
- Current SCAG Projects
  - Sustainability Grant Program/Call for Proposals
- CEQA Streamlining/SB226
- Legislation monitoring
  - CEQA Reform
- Grants
  - HCD NOFA notification
  - SCG

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
D1	Housing Element	Funding opportunities and other preferences should be available to jurisdictions with compliant housing elements. (Ojai)	Jurisdictions with compliant 4 <sup>th</sup> cycle housing elements have access to 5 <sup>th</sup> cycle streamlined review and are prioritized for various available grants and funding.	SCAG will coordinate with HCD in an effort to ensure that jurisdictions with compliant housing element will continue to receive streamlined review and funding opportunities as available.