



SOUTHERN CALIFORNIA
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900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

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MEETING OF THE

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) SUBCOMMITTEE

October 29, 2018
10:00 a.m. – 12:00 p.m.

SCAG MAIN OFFICE
900 Wilshire Blvd., Ste. 1700
Regional Council Board Room
Los Angeles, CA 90017
(213) 236-1800

**See Next Page for Videoconference Locations and
Webcasting Information**

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

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1908. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.

Videoconference Sites & Addresses

SCAG Los Angeles Office (Main Office)

900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017

SCAG Imperial County Regional Office

1503 N. Imperial Ave., Ste. 104, El Centro, CA 92243

SCAG Orange County Regional Office

600 S. Main St., Ste. 1233, Orange, CA 92868

The maximum capacity of this location has been reached and is no longer available to participants who did not receive a confirmed RSVP.

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3403 10th St., Ste. 805, Riverside, CA 92501

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SCAG Ventura County Regional Office

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Coachella Valley Association of Governments Office

73-710 Fred Waring Dr., Ste. 200, Palm Desert, CA 92260

City of Palmdale Office

38250 Sierra Hwy., Palmdale, CA 93550

South Bay Cities Council of Governments Office

South Bay Environmental Services Center
20285 S. Western Avenue, Suite 100 Torrance, CA 90501

Webcasting Available

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<https://scag.zoom.us/meeting/register/328d51d7f1e178ee7510d14dfea9e911>

RHNA Subcommittee Members

County	Primary	Alternate
Imperial	Jim Predmore, ICTC (Holtville)	Bill Hodge, Calexico
Los Angeles	Margaret Finlay, Duarte	Rex Richardson, Long Beach
Orange	Peggy Huang, Chair, TCA (Yorba Linda)	Mike Posey, Huntington Beach
Riverside	Rusty Bailey, Riverside	Russell Betts, Desert Hot Springs
San Bernardino	Bill Jahn, Big Bear Lake	Jim Mulvihill, San Bernardino
Ventura	Carmen Ramirez, Oxnard	Mike Judge, VCTC (Simi Valley)
Ex-officio Academia	Paavo Monkkonen, UCLA Urban Planning	
Ex-officio Non-profit/Advocate	Cesar Covarrubias, Executive Director, The Kennedy Commission	
Ex-officio Building Industry	Jeff Montejano, CEO, BIA of Southern California	



RHNA SUBCOMMITTEE AGENDA

Southern California Association of Governments

900 Wilshire Boulevard, Suite 1700
Los Angeles, California 90017
Monday, October 29, 2018
10:00 AM

The RHNA 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 AND PLEDGE OF ALLEGIANCE

(The Honorable Peggy Huang, Chair)

ROLL CALL

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 Committee, must fill out and present a Public Comment Card to the committee staff prior to speaking. Comments will be limited to three (3) minutes per speaker. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Receive and File

- 1. Letter to the California Department of Housing and Community Development (HCD) and the California Department of Transportation (Caltrans) of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Adoption Date Attachment

DISCUSSION ITEMS

- 2. Welcome and Subcommittee Introductions (Hon. Peggy Huang, RHNA Subcommittee Chair) 10 mins
3. Overall Objective Setting (Kome Ajise, Director of Planning) 10 mins
4. Presentation by the California Department of Housing and Community Development (HCD) (Ben Metcalf, Director, HCD) 30 mins



- | | | |
|---|------------|---------|
| 5. <u>RHNA 101</u>
<i>(Ma'Ayn Johnson, SCAG Staff)</i> | Attachment | 30 mins |
| 6. <u>Draft RHNA Workplan</u>
<i>(Kome Ajise, Director of Planning)</i> | Attachment | 15 mins |
| 7. <u>Draft RHNA Subcommittee Charter</u>
<i>(Joann Africa, Chief Legal Counsel)</i> | Attachment | 20 mins |

CHAIR'S REPORT

- Determine RHNA Subcommittee meeting schedule

STAFF REPORT

ANNOUNCEMENT/S

ADJOURNMENT

The next regular meeting of the RHNA Subcommittee will be determined at the October 29, 2018 meeting.



Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 1
October 29, 2018

To: Regional Housing Needs Assessment (RHNA) Subcommittee
From: Kome Ajise, Director of Planning
Subject: Letter to the California Department of Housing and Community Development (HCD) and the California Department of Transportation (Caltrans) of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Adoption Date

RECOMMENDED ACTION:

For Information Only - No Action Required

EXECUTIVE SUMMARY:

Government Code Section 65588(e)(5) requires that SCAG notify both the California Department of Housing and Community Development (HCD) and the California Department of Transportation (Caltrans) of the estimated adoption date for the next regional transportation plan (RTP) update at least twelve months (12) prior to the estimated adoption date. State housing law sets the next housing element adoption date as eighteen (18) months after the adoption of the RTP. Based on the anticipated April 2020 RTP adoption date, the 6th scheduled revision of the housing element will be due to HCD in October 2021. SCAG sent a notification letter to both HCD and Caltrans mid-September 2018.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy; Objective A : Cultivate dynamic knowledge of the major challenges and opportunities relevant to sustainability and quality of life in the region.

BACKGROUND:

Government Code Section 65588(e)(5) requires that SCAG notify both the California Department of Housing and Community Development (HCD) and the California Department of Transportation (Caltrans) of the estimated adoption date for the next regional transportation plan (RTP) update at least twelve months (12) prior to the estimated adoption date. State housing law sets the next housing element adoption date as eighteen (18) months after the adoption of the RTP. Based on the anticipated April 2020 RTP adoption date, the 6th scheduled revision of the housing element will be due to HCD in October 2021. SCAG sent a notification letter to both HCD and Caltrans mid-September 2018 (attached).

FISCAL IMPACT:

Work associated with this item is included in the current FY 18-19 General Fund Budget (800.0160.03:RHNA).

ATTACHMENTS:

1. Letter to HCD for notification of the RTP/SCS adoption date
2. Letter to Caltrans for notification of the RTP/SCS adoption date



September 13, 2018

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

Mr. Ben Metcalf
Director
California Department of Housing and Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

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Linda Parks, Ventura County

Transportation
Curt Hagman, San Bernardino
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**RE: Notification of Adoption Date
2020 Regional Transportation Plan/ Sustainable Communities Strategy**

Dear Mr. Metcalf:

The purpose of this letter is to notify your agency of the adoption date of the 2020 Regional Transportation Plan developed by the Southern California Association of Governments (SCAG). Government Code Section 65588 (e)(5) requires that SCAG notify the California Department of Housing and Community Development (HCD) and the California Department of Transportation (Caltrans) of the estimated adoption date for the next regional transportation plan update at least twelve (12) months prior to the estimated adoption date. SCAG anticipates the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) to be adopted in April 2020. Based on this date, SCAG estimates the 6th scheduled revision of the housing element to be due to HCD as October 2021, which is eighteen (18) months from the adoption of the RTP/SCS, as required by the aforementioned Government Code.

We look forward to working with you and your staff on ensuring that the RTP/SCS and Regional Housing Needs Assessment update processes are a success. If you have any questions, please contact Mr. Kome Ajise, Director of Planning, at (213) 236-1835 or ajise@scag.ca.gov.

Sincerely,

Hasan Ikhata
Executive Director



September 13, 2018

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

Ms. Laurie Berman Director California Department of Transportation 1120 N Street MS 49 Sacramento, CA 95814

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Community, Economic & Human Development Peggy Huang, Transportation Corridor Agencies

Energy & Environment Linda Parks, Ventura County

Transportation Curt Hagman, San Bernardino County

RE: Notification of Adoption Date 2020 Regional Transportation Plan/ Sustainable Communities Strategy

Dear Ms. Berman:

The purpose of this letter is to notify your agency of the adoption date of the 2020 Regional Transportation Plan developed by the Southern California Association of Governments (SCAG). Government Code Section 65588 (e)(5) requires that SCAG notify the California Department of Housing and Community Development (HCD) and the California Department of Transportation (Caltrans) of the estimated adoption date for the next regional transportation plan update at least twelve (12) months prior to the estimated adoption date. SCAG anticipates the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) to be adopted in April 2020. Based on this date, SCAG estimates the 6th scheduled revision of the housing element to be due to HCD as October 2021, which is eighteen (18) months from the adoption of the RTP/SCS, as required by the aforementioned Government Code.

We look forward to working with you and your staff on ensuring that the RTP/SCS and Regional Housing Needs Assessment update processes are a success. If you have any questions, please contact Mr. Kome Ajise, Director of Planning, at (213) 236-1835 or ajise@scag.ca.gov.

Sincerely,

Hasan Ikhata Executive Director



Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 5
October 29, 2018

To: Regional Housing Needs Assessment (RHNA) Subcommittee
From: Ma'Ayn Johnson, Housing & Land Use Planner
Subject: RHNA 101

RECOMMENDED ACTION:

For Information Only - No Action Required

EXECUTIVE SUMMARY:

California State housing law requires that each jurisdiction plan for existing and future housing need as represented by its RHNA allocation. The last RHNA cycle, also known as the 5th RHNA cycle, was completed in October 2012. Per State housing law, the RHNA process is divided into four (4) main steps: the regional determination, methodology, draft RHNA allocation, and final RHNA allocation. The next RHNA cycle, also known as the 6th cycle, will cover the planning period October 2021 through October 2029, and will be adopted at the latest by October 2020. Due to recent legislation, there are a number of changes that will be incorporated into the development and methodology for the 6th RHNA cycle.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy; Objective A : Cultivate dynamic knowledge of the major challenges and opportunities relevant to sustainability and quality of life in the region.

BACKGROUND:

As the Council of Governments (COG) for the six-county SCAG region, SCAG is responsible for developing the Regional Housing Needs Assessment (RHNA), which is a requirement under California housing law. The RHNA allocation represents existing and future housing need for every jurisdiction (city and county) for a specified time period. It is important to note that while the RHNA allocation is a quantification of housing need, it is only one component of addressing the challenges of the statewide housing crisis.

Government Code 65584 outlines the five main objectives of RHNA:

- (1) To increase the housing supply and mix of housing types, tenure, and affordability within each 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 need in income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution
- (5) Affirmatively furthering fair housing

A RHNA planning cycle is 8 years. Senate Bill 375 (2008) synced the RHNA cycle with the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) cycle so that a RHNA allocation would be adopted every other RTP/SCS process. The most recent RHNA, also known as the 5th RHNA cycle, was completed in October 2012 and covers the planning period October 2013 through October 2021. The next RHNA cycle, or the 6th cycle, must be completed by October 2020 and will cover the planning period October 2021 through October 2029.

Subsequent to receiving their RHNA allocations, jurisdictions are required to update their housing element in their General Plans, which should demonstrate through sites and zoning analysis how the jurisdiction will accommodate the future housing need as determined by the RHNA allocation. Housing elements are reviewed by HCD, which determines whether or not it is in compliance with State housing law. Fifth cycle housing elements were due in October 2013 while 6th cycle housing elements will be due in October 2021.

To begin the process, the COG sends a letter notifying the California Department of Transportation (Caltrans) and the California Department of Housing and Community Development (HCD) of the COG’s intended adoption date of the RTP/SCS. The reason for this is that the housing element due date is no later than 18 months from the adoption date of the RTP/SCS. SCAG submitted this letter to Caltrans and HCD in September 2018, which is included in this agenda as a receive and file item. Almost all RHNA key deadlines are then determined using the housing element due date.

The general RHNA process is as follows:



HCD Regional Determination

The California Department of Housing and Community Development (HCD) is responsible for providing a regional RHNA allocation, in addition to existing housing need, for each COG for the corresponding planning period. HCD bases its regional determination by starting with population projections produced by the California Department of Finance (DOF) and the forecast used by the COG in preparation for its RTP. If the difference between the total RTP forecast is within 1.5% of the DOF forecast, HCD will use the RTP forecast as the basis. If the difference is more HCD and the COG meet to discuss variances in methodology, though if no agreement is reached State law requires the use of DOF projections.

In addition to population projections, the COG provides various socioeconomic and demographic data as part of HCD's consultation process, including:

- Anticipated household growth
- Household size
- Overcrowding
- Household formation rates based on socioeconomic variances
- Vacancy rates of existing housing stock
- Jobs housing relationship
- Cost burdened households
- Replacement need

While it is the population projection and not household projection that is used initially, HCD determines household projections by applying household formation rates and other factors to ultimately determine the regional housing need.

Due to different market conditions and changes from the passage of Senate Bill 828 (Weiner) and Assembly Bill 1771 (Bloom), the 6th cycle regional determination will be higher than the one determined in the 5th cycle. SCAG will begin to work with HCD to start the determination process in early 2019 and will keep the RHNA Subcommittee and stakeholders informed of the process. The statutory deadline for HCD to provide a regional determination is August 2019.

RHNA Subcommittee

The role of the RHNA Subcommittee is to make recommendations to guide the RHNA process and to develop RHNA methodology, along with making final determinations on appeals to the draft RHNA allocation plan. A draft timeline of topics for discussion is included as part of the draft RHNA workplan included in this agenda packet. It is anticipated that the RHNA Subcommittee will meet until the recommended approval of the proposed final RHNA plan in August 2020.

Methodology

Once a regional determination is provided by HCD, the COG is responsible for developing a methodology that will determine an individual jurisdiction's RHNA allocation.

The COG is required to develop a proposed methodology at least two (2) years before the housing element due date. No more than 6 months before this proposed methodology development, a COG must survey all jurisdictions on their local planning factors (also known as "AB 2158 factors" due to the 2006 eponymous bill). The factors are listed in statute and include planning factors and constraints such as jobs housing relationship, infrastructure limitations outside a jurisdiction's control, county policies to preserve agricultural or open space, and high housing costs. New for the 6th cycle, SCAG must also survey jurisdictions on information on barriers to providing fair housing or fair housing assessments. The COG may also survey other factors as part of the survey.

Per State housing law, certain criteria cannot be used as a justification to reduce a RHNA allocation. These include:

- Local ordinances, policies, or voter-approved measures that directly or indirectly limits the number of residential permits issued by the jurisdiction
- Prior underproduction of housing within a jurisdiction from a previous RHNA allocation
- Stable population numbers in a jurisdiction from the previous RHNA allocation

The RHNA Subcommittee will review different components of the RHNA methodology over the course of several meetings. Staff will compile the recommendations into a proposed RHNA methodology for review. At least one public hearing is required to receive verbal and written input on the proposed methodology, and State law encourages the COG to reach out to a variety of stakeholders to participate in the process.

AB 1771 specifies that after SCAG reviews public comments on the proposed methodology, SCAG must publish the methodology and submit this draft to HCD for review. Within 60 days, HCD must review the draft methodology and provide written findings to SCAG. Subsequent to receiving written findings from HCD, SCAG may choose to incorporate HCD's findings into its adoption of a final RHNA methodology.

Draft Allocation

After the methodology is adopted by the COG, the COG applies the methodology to the regional determination to calculate each jurisdiction's draft RHNA allocation. State housing law requires that a draft RHNA allocation be distributed prior to the adoption of the final Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). For the 6th cycle, SCAG anticipates that the draft RHNA allocation will be distributed in Winter 2020.

Draft RHNA Appeals

Per State housing law, jurisdictions may request an appeal of their draft RHNA allocation. While prior cycles allowed for a revision request in addition to an appeal process, AB 1771 has streamlined this into one appeals process. Also new to the 6th cycle is the specified allowance of a jurisdiction to appeal a draft RHNA allocation of another jurisdiction.

Jurisdictions will have 45 days to file an appeal after receiving the draft RHNA allocation. After the filing period, there is a 45 day comment period on appeals received to receive comments from local jurisdictions and HCD. Appeals must be reviewed by SCAG within 30 days of the close of the comment period. The RHNA Subcommittee will review each appeal in a public hearing along with corresponding analysis supporting or denying the appeal from SCAG staff. The appeal process is anticipated to occur between March and July 2020.

Final RHNA

After the RHNA Subcommittee hears all appeals and revises the RHNA allocations accordingly, a proposed final RHNA allocation is released. Within 45 days, the COG is required to hold a public hearing to adopt a final RHNA allocation. Once adopted, the COG is required to submit its final RHNA allocation plan to HCD. For the 6th cycle, SCAG will adopt the final RHNA allocation in October 2020.

Housing Elements

A jurisdiction is required to revise its housing element to the corresponding RHNA cycle to accommodate its allocated future housing need. Jurisdictions may begin to plan for their RHNA allocation when the draft RHNA allocation is distributed. HCD is responsible for reviewing submitted housing elements and determining compliance with State housing law. For the 6th cycle, housing elements will be due to HCD in October 2021.

RHNA Reform

Subsequent to the adoption of the 5th RHNA cycle, SCAG formed a RHNA and Housing Element Reform Subcommittee to address concerns raised during the process. The Reform Subcommittee discussed a wide range of issues and included reforms related to the calculation of affordable housing needs, the revision request and appeals process, housing element development and review, and funding. Recommendations on these issues were made by the Subcommittee to the CEHD Committee and then recommended for approval by the Regional Council, which adopted these recommendations in May 2015.

While some of these reforms cannot be addressed until the housing element stage, a number of reforms that were approved will be implemented by SCAG for the 6th RHNA cycle. SCAG staff will include recommendations from the RHNA Subcommittee for the 6th cycle as the topics are discussed for the corresponding agenda.

Outreach and Opportunities for Public Participation

A successful RHNA process requires an extensive outreach and participation process and SCAG will ensure that elected officials, jurisdictions, and the general public are informed of the RHNA process and its opportunities to participate. All RHNA Subcommittee meetings are public and SCAG staff will be webcasting the RHNA Subcommittee meetings along with recording them. SCAG staff is also reviewing different formats to engage stakeholders and receive input, such as workshops and subregional-based meetings. Stakeholders will be informed of meetings and key milestones through the RHNA email distribution list and are encouraged to provide input at all stages of the RHNA process.

FISCAL IMPACT:

Work associated with this item is included in the current FY 18-19 General Fund Budget (800.0160.03:RHNA).

ATTACHMENTS:

1. Overview of Differences between the 5th and 6th Cycle RHNA
2. PowerPoint Presentation

Highlights of Changes between the 5th and 6th RHNA Cycles

Issue	5 th RHNA Cycle (adopted October 2012)	6 th RHNA Cycle (adoption date of October 2020)
Objectives	Government Code Section 65584 listed four primary objectives of the RHNA plan.	An additional objective of “Affirmatively furthering fair housing” has been added as a fifth objective of the RHNA plan.
Local Input	Input on local growth, particularly household growth, was used as the basis for RHNA allocations and was accepted “as is”	Input on local growth will still be used as the basis for RHNA allocation but revisions from local jurisdictions require supporting documentation
Required Factors to Consider	The regional determination and methodology to determine a jurisdiction’s RHNA allocation are required to consider certain factors such as jobs-housing balance, replacement need, and vacancy need.	Recent legislation requires the regional determination and RHNA methodology to include additional factors such as overcrowding, overpaying households, jobs-housing fit, furthering fair housing, and minimum vacancy need.
Appeals Process	Two separate processes, revision request and appeals, were outlined in State housing law.	Recent legislation outlines only one appeal process. Other jurisdictions and HCD may request an appeal on any jurisdiction’s draft RHNA allocation.
Basis for Appeals	Jurisdictions may not request a lower RHNA allocation based on local ordinances or voter-approved measures that limits the number of residential building permits issued by the jurisdiction.	In addition to the disallowance of voter-approved measures as a reason for a lower RHNA allocation, jurisdictions may not cite underproduction of housing units based on the last RHNA allocation or stable population growth based on the last RHNA cycle as a citation for a lower RHNA allocation.
Methodology Adoption	HCD reviewed the RHNA methodology after the adoption of the final RHNA allocation at the end of the process.	Per recent legislation, HCD may review the proposed RHNA methodology and provide comment. HCD may also review the final RHNA methodology prior to the end of the process.

RHNA 101

An Overview of the Regional Housing Needs Assessment

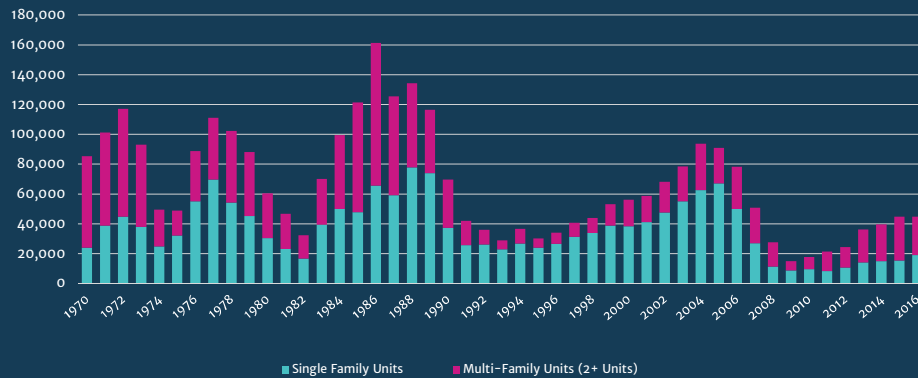
Ma'Ayn Johnson, AICP
 Compliance and Performance
 Monitoring



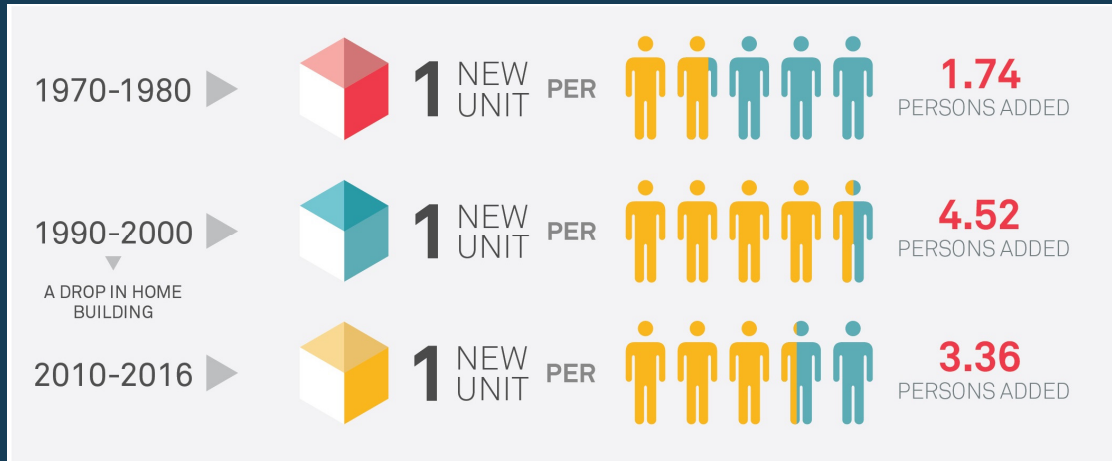
The Housing Crisis is Caused by a Lack of Housing Supply



Building Permits, SCAG Region 1970-2016



The Purpose of RHNA



Regional Housing Needs Assessment



- State housing law requirement to determine regional housing needs
- 8 year planning period
- 5th cycle: 2013-2021
- 6th cycle: 2021-2029
- Final allocation adoption October 2020



Objectives of RHNA



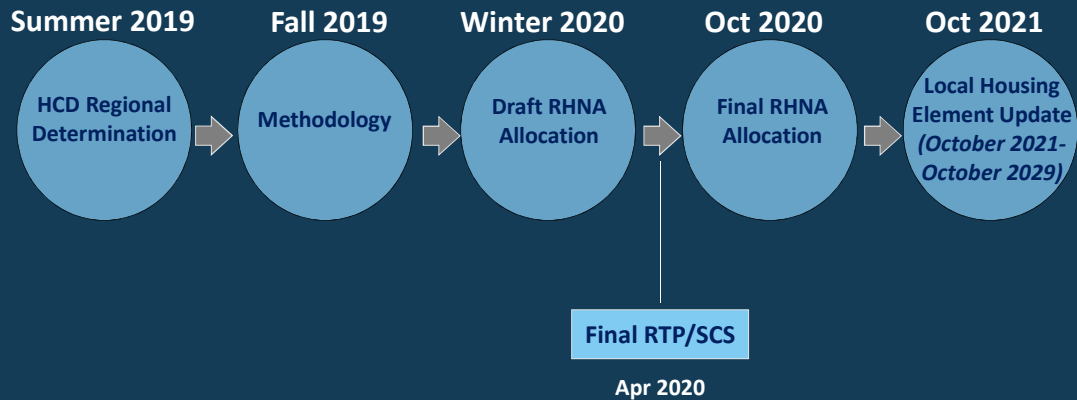
- 1) To increase the housing supply and mix of housing types, tenure and affordability within each region in an equitable manner
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns



- 3) Promoting an improved intraregional relationship between jobs and housing
- 4) Allocating a lower proportion of housing need in income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution
- 5) Affirmatively furthering fair housing



The RHNA Process

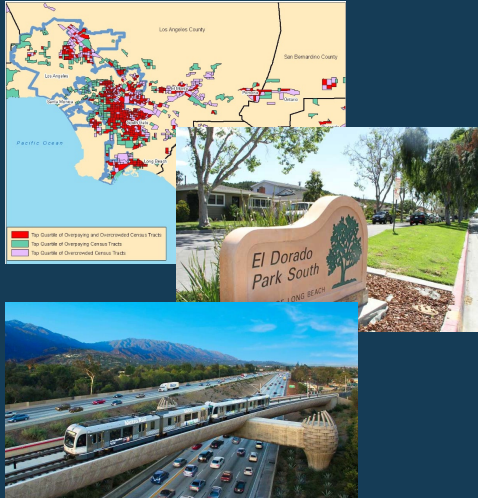


Regional Determination Process



- HCD provides a regional determination in consultation with SCAG and the Department of Finance (DOF)
- Various projections and data sets are reviewed, including
 - Population and household projections
 - Household size
 - Overcrowding
 - Headship rates
 - Replacement need
 - Vacancy rates
 - Cost burdened households

Methodology



- Applied to the regional determination to determine a draft RHNA allocation
- Developed by SCAG
- Survey of jurisdictions on local planning factors and fair housing policies
- Proposed methodology will be developed by RHNA Subcommittee over the course of several meetings

Methodology



PROPOSED METHODOLOGY

Public hearing and
comment period

Submit to HCD

DRAFT METHODOLOGY

HCD may report written
findings within 60 days

FINAL METHODOLOGY

SCAG may include HCD's
comments on draft
methodology

Adopted by SCAG

Draft RHNA and Appeals

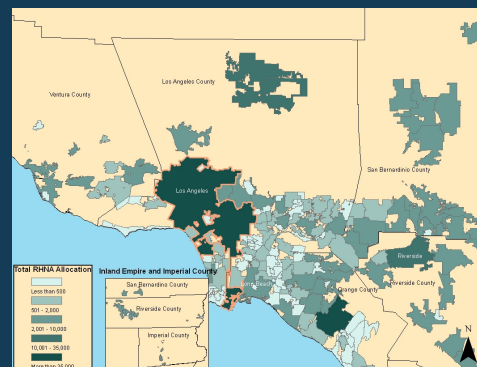


- After the distribution of the draft RHNA allocation, jurisdictions may file an appeal within 45 days
 - HCD and other jurisdictions may file an appeal to any jurisdiction's draft RHNA allocation
- Appeals cannot be based on
 - Voter-approved measures that restrict residential permits issued
 - Underproduction of units based on the prior RHNA allocation
 - Stable population numbers based on the last RHNA cycle
- Additional 45 day comment period for jurisdictions and HCD to review submitted appeals before public hearing

Final RHNA Adoption



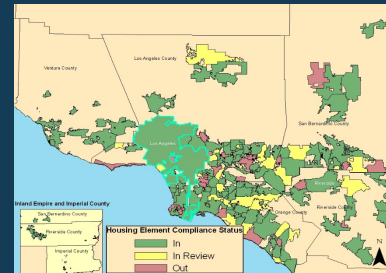
- Successful appeals are reallocated back to the region
- Must be consistent with the Connect SoCal (Sustainable Communities Strategy) development pattern
- Final RHNA Allocation adoption October 2020



Housing Element Updates



- Jurisdictions must update their housing element using sites and zoning analysis to accommodate the RHNA allocation
- Due October 2021
- SCAG will work with HCD to provide data and resources that can be used for sections on existing housing need



RHNA Reform



- SCAG convened a RHNA and Housing Element Reform Subcommittee between October 2013 and March 2015 to review and make recommendations based on concerns shared during the 2012/5th cycle RHNA
- Recommendations on RHNA included issues such as
 - Outreach
 - Social equity distribution
 - Appeals process
- SCAG staff will include recommendations of the Reform Subcommittee during the corresponding RHNA Subcommittee discussions

Outreach and Public Participation



- RHNA email list
- RHNA Subcommittee meetings and webcast
- CEHD and Regional Council meetings
- Public Hearings
- One-on-one meetings

For more information

www.scag.ca.gov

Email: housing@scag.ca.gov





Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 6
October 29, 2018

To: Regional Housing Needs Assessment (RHNA) Subcommittee
From: Kome Ajise, Director of Planning
Subject: Draft RHNA Workplan

RECOMMENDED ACTION:

For Information Only - No Action Required

EXECUTIVE SUMMARY:

Key RHNA milestones are based on the adoption date of the corresponding Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). It is anticipated based on an April 2020 RTP/SCS adoption date that the final RHNA plan will be adopted in October 2020. SCAG is beginning to develop the 6th cycle RHNA with the guidance of the RHNA Subcommittee, including the development of the RHNA methodology and appeals on the draft RHNA allocation. Housing elements will be due to the California Department of Housing and Community Development (HCD) in October 2021.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy; Objective A : Cultivate dynamic knowledge of the major challenges and opportunities relevant to sustainability and quality of life in the region.

BACKGROUND:

Staff has developed a draft work plan for the 6th cycle RHNA process that provides an overview of the work needed to ensure a fair and transparent process that results in an accurate RHNA allocation for each jurisdiction. The work plan is divided into four sections: RHNA Subcommittee, RHNA methodology development, subregional delegation, and RHNA allocation development. Each task indicates a statutory deadline and a proposed deadline.

Staff will update the draft work plan as the development of the 6th cycle RHNA progresses.

FISCAL IMPACT:

Work associated with this item is included in the current FY 18-19 General Fund Budget (800.0160.03:RHNA).

ATTACHMENTS:

1. RHNA Workplan
2. RHNA Subcommittee Topic Outlook

RHNA Workplan

The Regional Housing Needs Assessment (RHNA) is an extensive process outlined in Government Code Section 65584 et al. to determine the existing and future housing need for every city and unincorporated portion of the county in California. SCAG, as the council of governments for the 191-city 6-county area, is responsible for conducting the RHNA process. The process involves the development of a RHNA methodology and adoption of a final RHNA allocation plan under the guidance of an appointed RHNA Subcommittee.

Objectives

There are five objectives listed in Government Code Section 65584 that the regional housing needs allocation plan shall further. The fifth objective was added in September 2018 as a result of the passage of Assembly Bill 1771 (Bloom).

- 1) Increasing the housing supply and mix of housing types, tenure, and affordability in all jurisdictions within the region in an equitable manner;
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reduction targets;
- 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;
- 5) Affirmatively furthering fair housing, meaning taking meaningful actions in addition to combating discrimination that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protective characteristics

Schedule and Highlight

- I. RHNA Subcommittee (October 2018 – September 2020)
Develop policies for RHNA methodology aligned with the goals of State housing law, develop guidelines for the RHNA appeals process and subregional delegation, review and determine appeals on draft RHNA allocation
- II. RHNA Methodology Development (January 2019 – February 2020)
Review local input and housing data trends, conduct public workshops and planning factor surveys, review comments from HCD on draft RHNA methodology, adopt final RHNA methodology
- III. Delegation to Accepting Subregions (November 2018 – November 2019)
Develop subregional delegation guidelines, conduct public hearing for revision requests from delegating subregions, and allocate subregional RHNA need to delegating subregions
- IV. RHNA Allocation Development (November 2019 – November 2020)
Develop draft RHNA allocation, conduct appeals processes and related public hearing, and approve final RHNA allocation for submittal to HCD

I. RHNA Subcommittee (October 2018 – September 2020)

The purpose of the RHNA Subcommittee is to develop policies that will guide the RHNA methodology and develop guidelines for various RHNA policies that are aligned with the goals of State housing law. The Subcommittee will also hear and determine appeals to the draft RHNA allocation, based on reports submitted by staff. Staff will support the Subcommittee by providing reports and data.

The RHNA Subcommittee is a subcommittee under the Community, Economic & Human Development (CEHD) Policy Committee. The RHNA Subcommittee’s recommendations on RHNA process, policies, and methodology will be recommended to the CEHD Committee and Regional Council for adoption. The RHNA Subcommittee will serve as RHNA Appeals Board, whose appeal determinations are final, pending approval of the Subcommittee Charter.

1. Support the RHNA Subcommittee’s task of developing policies for the RHNA methodology, review regional and subregional housing growth trends based on local input, review HCD comments on draft RHNA methodology, and prepare the Subcommittee’s recommendations for CEHD and Regional Council approval

Task	Statutory deadline	Proposed deadline
1a. Define jobs-housing fit, market demand for housing, and other local planning factors for inclusion in survey packets	Apr 2019	Apr 2019
1b. Review regional and subregional housing growth trends and data based on local input		May 2019
1c. Review comments from HCD on draft RHNA methodology		Oct 2019
1d. Recommend to CEHD and Regional Council approval of final RHNA methodology	Dec 2019	Dec 2019

2. Support the RHNA Subcommittee’s task on developing guidelines for the RHNA appeals processes and subregional delegation

Task	Statutory deadline	Proposed deadline
2a. Develop guidelines for subregional delegation		Dec 2018
2b. Develop guidelines for RHNA appeals process		Dec 2019

3. RHNA Subcommittee hearings for appeals to the draft RHNA allocation based on reports submitted by staff.

Task	Statutory deadline	Proposed deadline
3a. Review appeals from jurisdictions	Jul 2020	Jul 2020

II. RHNA Methodology Development (January 2019 – February 2020)

In addition to reviewing collected local input and housing-related data, the RHNA methodology requires an extensive public participation process to ensure that input and comments have been considered into the final RHNA allocation. The RHNA methodology must also further objectives outlined in State housing law.

Each component of the RHNA methodology will be reviewed over the course of several RHNA Subcommittee meetings. Actions recommended by the Subcommittee will be packaged together as one proposed RHNA methodology and forwarded to the CEHD Committee and Regional Council for adoption.

1. Review local input collected from the Bottom Up Local Input and Envisioning Process for the 2020 RTP/SCS and RHNA

Task	Statutory deadline	Proposed deadline
1a. Review regional and subregional trends based on local input		Dec 2018
1b. Present findings on regional and subregional trends and housing-related data to subregional councils of government and other stakeholder groups		Jan 2019
1c. Review input on regional and subregional trends and incorporate into proposed RHNA methodology		May 2019

2. Prepare and distribute survey on local planning factors and fair housing assessment to local jurisdictions

Task	Statutory deadline	Proposed deadline
2a. Define jobs-housing fit, market demand for housing, replacement need, fair housing assessments, and other local planning factors for inclusion in survey packets	Apr 2019	Apr 2019
2b. Develop local planning factor surveys and distribute	Apr 2019	Apr 2019
2c. Review local planning factors and incorporate into the proposed RHNA methodology		May 2019

3. Develop proposed, draft, and final RHNA methodologies

Task	Statutory deadline	Proposed deadline
3a. Provide consultation to HCD in determining a total regional housing need	Aug 2019	
3b. Develop a proposed RHNA methodology based on data and input from the RHNA Subcommittee	Oct 2019	
3c. Hold public hearing on proposed RHNA methodology	Oct 2019	Oct2019

3d. Incorporate input received from public hearing on proposed RHNA methodology	Oct 2019	Oct 2019
3e. Publish Draft RHNA methodology and submit to HCD for comment	Oct 2019	
3f. Review comments from HCD on draft RHNA methodology	Dec 2019	
3g. Adopt final RHNA methodology (January CEHD and RC)	Dec 2019	
3h. Inform and present data and findings to TWG and other stakeholder groups		Sept 2019
3i. Collect data and input from public workshops, committee meetings, and planning factors survey		Sept 2019

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III. Delegation to Accepting Subregions (March 2019 – September 2019)

Subregional delegation is an option for two or more jurisdictions within a county that are geographically contiguous to determine applying their own RHNA methodology and distribution after SCAG assigns them a subregional need. A subregional delegation agreement will be developed by the RHNA Subcommittee.

1. Allocate subregional housing needs to subregions accepting delegation. As part of the process, SCAG is required to hold a public hearing to consider requests to revise the proposed allocation to be delegated before the subregional allocation is finalized.

Task	Statutory deadline	Proposed deadline
1a. Finalization of subregional delegation agreement		Mar 2019
1b. Notify jurisdictions of opportunity for subregional delegation		Apr 2019
1c. Last day for subregions to notify SCAG of intent to accept delegation	Jun 2019	Jun 2019
1d. Develop proposed allocation for subregions		Sept 2019
1e. Public notification of public hearing on requests for revision on proposed allocation to delegation of subregions		Oct 2019
1f. Public hearing to consider request for revision of the proposed allocation to delegated subregions	Sept 2019	Sept 2019
1g. Assign delegated subregions a share of regional housing need	Sept 2019	Sept 2019

IV. RHNA Allocation Development (November 2019 – November 2020)

The development of the final RHNA allocation will be dependent on the methodology and guidelines approved in earlier phases of the RHNA work plan. The allocation development process can be divided into two phases: The draft RHNA allocation and the adoption of the final RHNA allocation.

1. Develop a draft RHNA allocation before final RTP/SCS adoption and support the RHNA Subcommittee during the appeals process.

Task	Statutory deadline	Proposed deadline
1a. Notify HCD and Caltrans of the RTP/SCS adoption date (housing elements are due 18 months from the adoption date)	Apr 2019	Sept 2018
1b. Finalize appeals guidelines and filing forms		Dec 2019
1c. Develop and issue draft RHNA allocation	Apr 2020	February 2020
1d. Adoption of RTP/SCS		Apr 2020
1e. Due date for jurisdictions to file appeal to draft RHNA allocation	May 2020	Mar 2020
1f. Comment period for appeals received	Jun 2020	May 2020
1g. Notify jurisdictions of public hearing for determining appeals	Jul 2020	Jun 2020
1h. Hearing to determine appeals	Jul 2020	Jul 2020

2. Develop and issue proposed final RHNA allocation plan and approve and submit the final RHNA allocation plan to HCD

Task	Statutory deadline	Proposed deadline
2a. Develop and issue a proposed final RHNA allocation plan based on the results of the appeals process	Aug 2020	Aug 2020
2b. Hold a public hearing to adopt the final RHNA allocation plan	Oct 2020	Oct 2020
2c. Submit the final RHNA allocation plan to HCD	Oct 2020	Oct 2020
2d. HCD determines RHNA is consistent with State housing law	Nov 2020	Nov 2020
2e. Due date for jurisdictions to submit revised housing elements to HCD	Oct 2021	Oct 2021

Major considerations for the development of the RHNA methodology and allocation plan

- The local input received during the Bottom Up Local Input and Envisioning Process is used as a starting point for a jurisdiction's RHNA allocation but it does not equate to a RHNA allocation. The RHNA methodology must consider other factors, including overcrowding, overpayment, minimum vacancy need, and furthering fair housing.
- The 6th cycle RHNA allocation will be higher than in prior cycles, particularly the 5th RHNA cycle, due to a number of factors, including a different market environment and the passage of recent legislation that changes how RHNA methodology must be applied. While local input may be similar to the last cycle, a jurisdiction's RHNA allocation will still increase due to the aforementioned factors and reasons.
- Jurisdictions cannot request an appeal of their draft RHNA allocation citing a 5th cycle allocation or the lack of housing production based on the prior RHNA allocation.
- Many jurisdictions have expressed concern that the RHNA distribution from the 5th RHNA cycle was inequitable. SCAG staff will present different methodologies for the RHNA Subcommittee to review to determine a reasonable distribution for the SCAG region and ensure that it furthers the objectives of State housing law.
- In the 6th cycle, jurisdictions and HCD may appeal another jurisdiction's draft RHNA allocation, even if that particular jurisdiction does not file an appeal. To facilitate transparency, SCAG staff is committed to sharing information and data received during the local input process and input received from stakeholders throughout the RHNA process.

RHNA Subcommittee Topic Outlook
 October 2018 – August 2020

Meeting	Proposed Date	Subject	Action
1	October 2018	Overview of RHNA process and legislation; RHNA work plan and schedule; notification to HCD and Caltrans of RTP/SCS adoption date; discussion on housing topics	Approve Subcommittee charter; approve RHNA work plan and schedule
2	December 2018	Subregional delegation guidelines; changes to housing element requirements	Provide direction on subregional delegation
3	January 2019	Draft RHNA Methodology framework; planning factor discussion; addressing potential gaps between SCAG growth forecast and HCD determination and regional/subregional distribution	
4	February 2019	Regional determination update; social equity adjustment discussion	Recommend any changes to local planning factors to CEHD; recommend remedies to potential gap between growth forecast and HCD determination
5	March 2019	Update on RHNA consultation with HCD; social equity adjustment; replacement needs survey; planning factor survey; furthering fair housing survey	Recommend a social equity adjustment to CEHD
6	June 2019	Survey results for replacement need, local planning factors, and furthering fair housing; continued discussion on Methodology: overcrowding; at-risk affordable units; high housing cost burdens; farmworker housing; homelessness; other existing housing needs	
7	July 2019	Continued discussion on proposed RHNA Methodology	Recommend proposed Methodology to CEHD
	September 2019	Public Hearing on Proposed Methodology	
8	December 2019	Review comments from HCD on draft RHNA methodology; RHNA appeals process guidelines	Recommend RHNA methodology adoption; recommend RHNA appeals process guidelines
9	January 2019	Recommend distribution of draft RHNA methodology	Recommend distribution of draft RHNA methodology
10	July 2020	Hearing on appeals	Determine appeals
11	July 2020	Review and ratify the decisions on appeals	Issue written decisions regarding appeals
12	August 2020	Final meeting	Recommend to CEHD proposed Final RHNA Allocation Plan

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Agenda Item No. 7
October 29, 2018

To: RHNA Subcommittee
From: Joann Africa, Chief Counsel/Director of Legal Services
Subject: Draft RHNA Subcommittee Charter

RECOMMENDED ACTION:

Review and provide input to staff.

EXECUTIVE SUMMARY:

To guide the RHNA Subcommittee as to efforts, staff has developed a draft RHNA Subcommittee charter which outlines its purpose and responsibilities, among other matters. The attached draft charter was modeled after the charter used in prior SCAG RHNA cycles. The Subcommittee is asked to review the draft charter and provide input to staff. Thereafter, the final version of the charter will be presented to the CEHD Committee and the Regional Council for review and approval.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2, subsection E: Act as the preeminent regional convenor to shape regional, state and national policies.

BACKGROUND:

Similar to past RHNA cycles, a charter has been developed for the RHNA Subcommittee to guide its work for the SCAG 6th cycle RHNA process. The attached draft charter outlines the Subcommittee's purposes, authority, composition, meetings and voting, and responsibilities. The draft charter has been revised to reflect the current law. Staff seeks the Subcommittee's review and input of the draft charter, which once finalized, will be presented to the CEHD Committee and Regional Council for review and approval.

FISCAL IMPACT:

Work related to the RHNA process is funded from the Fiscal Year 2018-19 General Fund Budget.

ATTACHMENT:

Draft RHNA Subcommittee Charter

RHNA SUBCOMMITTEE CHARTER

Purpose of the Subcommittee

The purpose of the RHNA Subcommittee is to review in-depth the various policy considerations necessary to the development of SCAG's Regional Housing Needs Assessment (RHNA), and to make critical decisions throughout the RHNA process, including but not limited to the following: the RHNA methodology, the draft and final RHNA allocations, and appeals related to draft RHNA allocations. The decisions of the RHNA Subcommittee will serve as recommendations to SCAG's Community, Economic and Human Development (CEHD) Committee and the Regional Council, except that the RHNA Subcommittee will make the final decisions regarding all appeals of draft RHNA allocations.

Authority

Authorized by the Regional Council, the RHNA Subcommittee serves as a subcommittee of the CEHD Committee, and will be reporting to the CEHD Committee. All actions by the RHNA Subcommittee, except for actions pertaining to appeals of draft RHNA allocations, are subject to the review and approval of the CEHD Committee and the Regional Council. Recognizing the significant amount of work undertaken by the RHNA Subcommittee, the CEHD Committee and the Regional Council will rely on the policy judgments of the RHNA Subcommittee. The RHNA Subcommittee shall be dissolved as of the date in which the final RHNA allocation is adopted by the Regional Council.

Composition

The RHNA Subcommittee will consist of twelve (12) members of the Regional Council or the CEHD Committee to represent the six (6) counties of the SCAG region. Each county shall have a primary member and an alternate member to serve on the RHNA Subcommittee. The SCAG President will appoint the members of the RHNA Subcommittee and will select one of the members to serve as the Chair of the RHNA Subcommittee. Membership of the RHNA Subcommittee may also include as non-voting members stakeholder representatives appointed by the SCAG President.

Meetings and Voting

The meetings of the RHNA Subcommittee will occur during the applicable period when SCAG is developing the RHNA. The RHNA Subcommittee shall have the authority to convene meetings as circumstances require. 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. Stakeholder representatives serving as non-voting members of the RHNA Subcommittee are not counted for purposes of establishing a meeting quorum.

All RHNA Subcommittee members are expected to attend each meeting, to the extent feasible. RHNA Subcommittee members may attend meetings by teleconference or video-conference. All meetings of the RHNA Subcommittee are subject to the Brown Act. The Chair of the RHNA

Subcommittee shall preside over all meetings and may select another Subcommittee member to serve as the Vice-Chair in the Chair's absence. The RHNA 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 RHNA Subcommittee members, along with appropriate briefing materials and reports, in accordance with the Brown Act. Minutes of each meeting will be prepared.

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. In the event of a tie vote, the Chair of the CEHD Committee may vote to break the tie except if the CEHD Chair has casted a vote as a Subcommittee member. In that exception, the Vice Chair of the CEHD Committee may break the tie vote. In the case of an appeal submitted on behalf of a Subcommittee member's individual local jurisdiction, the Subcommittee member may elect not to participate in the discussion and vote by the RHNA Subcommittee regarding such appeal.

Responsibilities

The RHNA Subcommittee will carry out the following responsibilities:

- review information useful to the development of the RHNA Plan;
- review and make policy decisions related to the RHNA process including policies for the RHNA methodology, the RHNA methodology, and the draft and final RHNA allocations, and forward such decisions to the CEHD Committee for review and approval. In making its policy decisions, the RHNA Subcommittee should consider the integration of the RHNA with the Regional Transportation Plan/Sustainable Communities Strategy;
- review and make decisions regarding guidelines for the RHNA process including guidelines related to subregional delegation and the criteria for trades and transfers of draft RHNA allocations, and forward such decisions to the CEHD Committee for review and approval; and
- review and make the final decisions regarding appeals related to the jurisdiction's draft RHNA allocation. In this capacity, the RHNA Subcommittee shall be known as the "RHNA Appeals Board." These final decisions by the RHNA Appeals Board shall not be reviewable by the CEHD Committee or by the Regional Council.