



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
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Los Angeles, CA 90017
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www.scag.ca.gov

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County

REGULAR MEETING

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) SUBCOMMITTEE

Please Note Date and Time

***Monday, April 1, 2019
10:00 a.m. – 12:00 p.m.***

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

***See Next Page for Other Meeting 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 Tess Rey-Chaput at (213) 236-1908 or via email at REY@scag.ca.gov. Agendas & Minutes are also available at: www.scag.ca.gov/committees

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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., Orange, CA 92868

**Due to limited capacity, please RSVP prior to the meeting to ensure availability,
housing@scag.ca.gov*

SCAG Riverside County Regional Office

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

SCAG San Bernardino County Regional Office

1170 W. 3rd St., Ste. 140, San Bernardino, CA 92410

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

Teleconference Sites & Addresses

Big Bear Lake Location

42115 Plymouth Road
Big Bear Lake, CA 92315

Long Beach City Hall

333 W. Ocean Blvd., 14th Floor
Long Beach, CA 90802

Simi Valley City Hall

2929 Tapo Canyon Road
Simi Valley, CA 93063

CLOSURE NOTICE: The SCAG Ventura County Regional Office is closed until further notice.

Webcasting Available

Webcast participation is view-only. Registration for webcasting is limited and is on a first come, first serve basis. Please register at

<https://scag.zoom.us/meeting/register/581cd4b3461bde97d746f627e8486654>

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RHNA SUBCOMMITTEE MEMBERS – RHNA 6TH CYCLE

VOTING MEMBERS

Representing Imperial County

Primary: Hon. Jim Predmore, Holtville

Alternate: Hon. Bill Hodge, Calexico

Representing Los Angeles County

Primary: Hon. Margaret Finlay, Duarte

Alternate: Hon. Rex Richardson, Long Beach

Representing Orange County

Primary: Hon. Wendy Bucknum, Mission Viejo

Alternate: **CHAIR** Peggy Huang, Yorba Linda, TCA

Representing Riverside County

Primary: Hon. Rusty Bailey, Riverside

Alternate: Hon. Russell Betts, Desert Hot Springs

Representing San Bernardino County

Primary: Hon. Bill Jahn, Big Bear Lake

Alternate: Hon. Jim Mulvihill, San Bernardino

Representing Ventura County

Primary: Hon. Carmen Ramirez, Oxnard

Alternate: Hon. Mike Judge, Simi Valley, VCTC

NON-VOTING/EX-OFFICIO MEMBERS

Representing Academia

Ex-Officio: Paavo Monkkonen, UCLA Urban Planning

Representing Non-Profit/Advocate

Ex-Officio: Cesar Covarrubias, Executive Director, Kennedy Commission

Representing Building Industry

Ex-Officio: Jeff Montejano, Chief Executive Officer, BIA of Southern California

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AGENDA
RHNA SUBCOMMITTEE MEETING

Southern California Association of Governments

900 Wilshire Boulevard, Suite 1700
Los Angeles, California 90017
Monday, April 1, 2019
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 not on the agenda but within the purview of the RHNA Subcommittee are asked to speak during the public comment period at the designated time at the beginning of the agenda. For questions and comments related to listed items on the agenda, members of the public desiring to speak may speak after the staff presentation and questions from Subcommittee members for each listed item. For those who attend via videoconferencing, please e-mail your name and the agenda item number you wish to speak to housing@scag.ca.gov at the beginning of the meeting. 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 time per speaker and/or the total time for all public comments if needed in order to complete all agenda items.

Questions and comments related to RHNA may also be emailed to housing@scag.ca.gov including the scenario while there is no time for public comments for a particular agenda item.

REVIEW AND PRIORITIZE AGENDA ITEMS

ELECTION OF SUBCOMMITTEE VICE CHAIR

CONSENT CALENDAR

<u>Approval Item</u>	<u>Page No.</u>	<u>Time</u>
1. <u>Minutes of the March 4, 2018 Meeting</u>	1	

Receive and File

2. <u>RHNA Timeline</u>	6	
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- 3. RHNA Subcommittee Topic Outlook 7
- 4. Comments Received Relating to the 6th Cycle RHNA 8

DISCUSSION ITEMS

- 5. Update from the California Department of Housing and Community Development (HCD) 9 **30 mins.**
(Megan Kirkeby, Assistant Deputy Director of Fair Housing)
- 6. RHNA Distribution Methodology and Social Equity 13 **40 mins.**
(Ma'Ayn Johnson, SCAG Staff)

CHAIR'S REPORT

STAFF REPORT

- Panel of Experts March 27, 2019 Session Update

ANNOUNCEMENT/S

ADJOURNMENT

The next regular meeting of the RHNA Subcommittee is scheduled for May 6, 2019 at 10 a.m. at the Wilshire Grand Center, 900 Wilshire Boulevard, Suite 1700, Los Angeles, CA 90017.

**REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) SUBCOMMITTEE
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

**MINUTES OF THE MEETING
March 4, 2019**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL HOUSING NEEDS ASSESSMENT SUBCOMMITTEE. AN AUDIO RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING.

The Regional Housing Needs Assessment Subcommittee held its meeting at SCAG’s downtown Los Angeles office. A quorum was present.

VOTING MEMBERS

Representing Imperial County

Primary: Hon. Jim Predmore, Holtville Present -- via videoconference
Alternate: Hon. Bill Hodge, Calexico Present -- in-person

Representing Los Angeles County

Primary: Hon. Margaret Finlay, Duarte Present – in-person
Alternate: Hon. Rex Richardson, Long Beach Absent

Representing Orange County

Primary: Hon. Wendy Bucknum, Mission Viejo Absent
Alternate: CHAIR Peggy Huang, Yorba Linda, TCA Present – in-person

Representing Riverside County

Primary: Hon. Rusty Bailey, Riverside Present – via videoconference
Alternative: Hon. Russell Betts, Desert Hot Springs Present – via videoconference

Representing San Bernardino County

Primary: Hon. Bill Jahn, Big Bear Lake Present – via videoconference
Alternate: Hon. Jim Mulvihill, San Bernardino Present – in-person

Representing Ventura County

Primary: Hon. Carmen Ramirez, Oxnard Present – via videoconference
Alternate: Hon. Mike Judge, Simi Valley Present – via videoconference

NON-VOTING/EX-OFFICIO MEMBERS

Academia: Paavo Monkkonen, UCLA Urban Planning Present – in-person
Non-Profit/Advocate: Cesar Covarrubias, Kennedy Commission Present – in-person
Building Industry: Jeff Montejano, BIA of Southern California Present – in-person

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Chair Peggy Huang called the meeting to order at 10:03 AM and asked the Honorable Jim Mulvihill to lead the Subcommittee in the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

There were no public comments made at this time. Chair Huang provided an update to the process for members of the public who would like to present verbal comments or ask questions during the Subcommittee meeting. Public comments and questions can be provided at the beginning of the meeting and specific comments can be presented at the beginning of the corresponding agenda item. Questions and comments can always be sent to housing@scag.ca.gov.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no prioritization of agenda items.

CONSTENT CALENDAR

Approval Item

1. Minutes of February 4, 2018 Meeting

A MOTION was made (Primary Member Bill Jahn, San Bernardino County) to approve the Consent Calendar. The MOTION was SECONDED (Alternate Member Jim Mulvihill, San Bernardino County) and APPROVED by the following votes (Primary Member Margaret Finlay, Los Angeles County, was not present during the vote):

AYES: Predmore (Imperial County), Huang (Orange County), Bailey (Riverside County), Jahn (San Bernardino County), Ramirez (Ventura County) (5).

NOES: None (0).

ABSTAIN: Finlay (Los Angeles County) (1).

Receive and File

2. RHNA Subcommittee Topic Outlook

ACTION ITEMS

3. RHNA Subregional Delegation Guidelines

Joann Africa, Chief Legal Counsel, presented on the factors that constitute a Subregion and the RHNA responsibilities and methodology requirements the Subregion must meet. She also presented on additional financial assistance of \$50,000 for any currently established subregion in the region. Ms. Africa recommended that the guidelines be approved and moved to the CEHD Committee.

A MOTION was made (Primary Member Rusty Bailey, Riverside County) to approve the Subregional Delegation Guidelines to move to the CEHD Committee. The MOTION was SECONDED (Alternate Member Jim Mulvihill, San Bernardino County) and APPROVED by the following vote Primary Member Margaret Finlay, Los Angeles County, was not present during the vote:

AYES: Predmore (Imperial County), Huang (Orange County), Bailey (Riverside County), Jahn (San Bernardino County), Ramirez (Ventura County) (5).

NOES: None (0).

ABSTAIN: Finlay (Los Angeles County) (1)

4. Finalize Local Planning Factor Survey

Ma'Ayn Johnson, SCAG Staff, presented an overview of the SCAG survey of the fourteen local planning factors that cover a range of local planning opportunities and constraints. The information from the survey will inform SCAG's proposed methodology on local planning conditions and also to further fair housing. The survey will also inform replacement need. SCAG will be finalizing the survey that will be sent out in a few weeks to jurisdiction planning directors and will be due April 30, 2019. Ms. Johnson responded to questions and comments from the Subcommittee, including questions about how community colleges apply under state law.

A MOTION was made (Primary Member Bill Jahn, San Bernardino County) to approve distribution of the local planning factor survey. The MOTION was SECONDED (Primary Member Jim Predmore, Imperial County) and APPROVED by the following vote:

AYES: Predmore (Imperial County), Finlay (Los Angeles), Richardson (Orange County), Bailey (Riverside County), Jahn (San Bernardino County), Ramirez (Ventura County) (5).

NOES: None (0).

ABSTAIN: None (0).

DISCUSSION ITEMS

5. Update on SCAG's Regional Determination Consultation Package

Kevin Kane, SCAG staff, presented a first look at two alternatives for the RHNA regional determinations. The presentation included two illustrations that estimated potential RHNA allocations based on different data and assumptions available. Mr. Kane responded to questions and comments from the Subcommittee, including questions about SANDAG's determination process, what criteria is used to project growth, the feedback process for jurisdictions, and how rezoning can help increase housing supply.

Kome Ajise, SCAG Director of Planning, informed the Subcommittee that staff will convene a panel of experts on estimating existing housing needs. Outcomes from the panel deliberations will be provided to the Subcommittee.

Paavo Monkkonen, UCLA Urban Planning Professor, provided historical context on housing need and growth rates and comments on the potential of rezoning single-family lots for multi-family use in order to increase supply. He recommended that the rezoning be limited to nonprofit developers to build affordable housing.

John Mirisch, representing the City of Beverly Hills, submitted a public comment, expressing that he believes nonprofits should get preference to sites rezoned for multi-family housing.

6. Overarching Principles for Social Equity Distribution

Ma'Ayn Johnson, SCAG staff, asked for input on social equity distribution to guide the development of the RHNA methodology to ensure that jurisdictions with an overconcentration of low income housing has its allocation adjusted and to affirmatively further fair housing. The Subcommittee specifically discussed the 110% social equity adjustment from the prior RHNA cycle. Chair Peggy Huang led a discussion after the presentation with questions SCAG staff presented to the Subcommittee. Factors discussed included jobs housing balance, high housing costs, and transit accessibility. Ms. Johnson indicated that staff will research data trends and methodologies used at other councils of governments and bring these findings back to the Subcommittee for further review.

Chair Peggy Huang proposed that the potential for more economic development near affordable housing be brought to the CEHD Committee for discussion.

Gail Shiomoto-Lohr, representing the City of Mission Viejo, submitted a public comment describing the City of Mission Viejo's experience using the 110% social equity adjustment and commented on how it applies to existing versus projected housing.

CHAIR'S REPORT

The Election of the RHNA Subcommittee Vice Chair will take place during the April 1, 2019 meeting. Subcommittee members must inform Ma'Ayn Johnson, SCAG Staff, with interest to run by March 22, 2019.

STAFF REPORT

A report was not provided.

ANNOUNCEMENT/S

The RHNA Subcommittee will still meet on April 1, Cesar Chavez Day (observed).

ADJOURNMENT

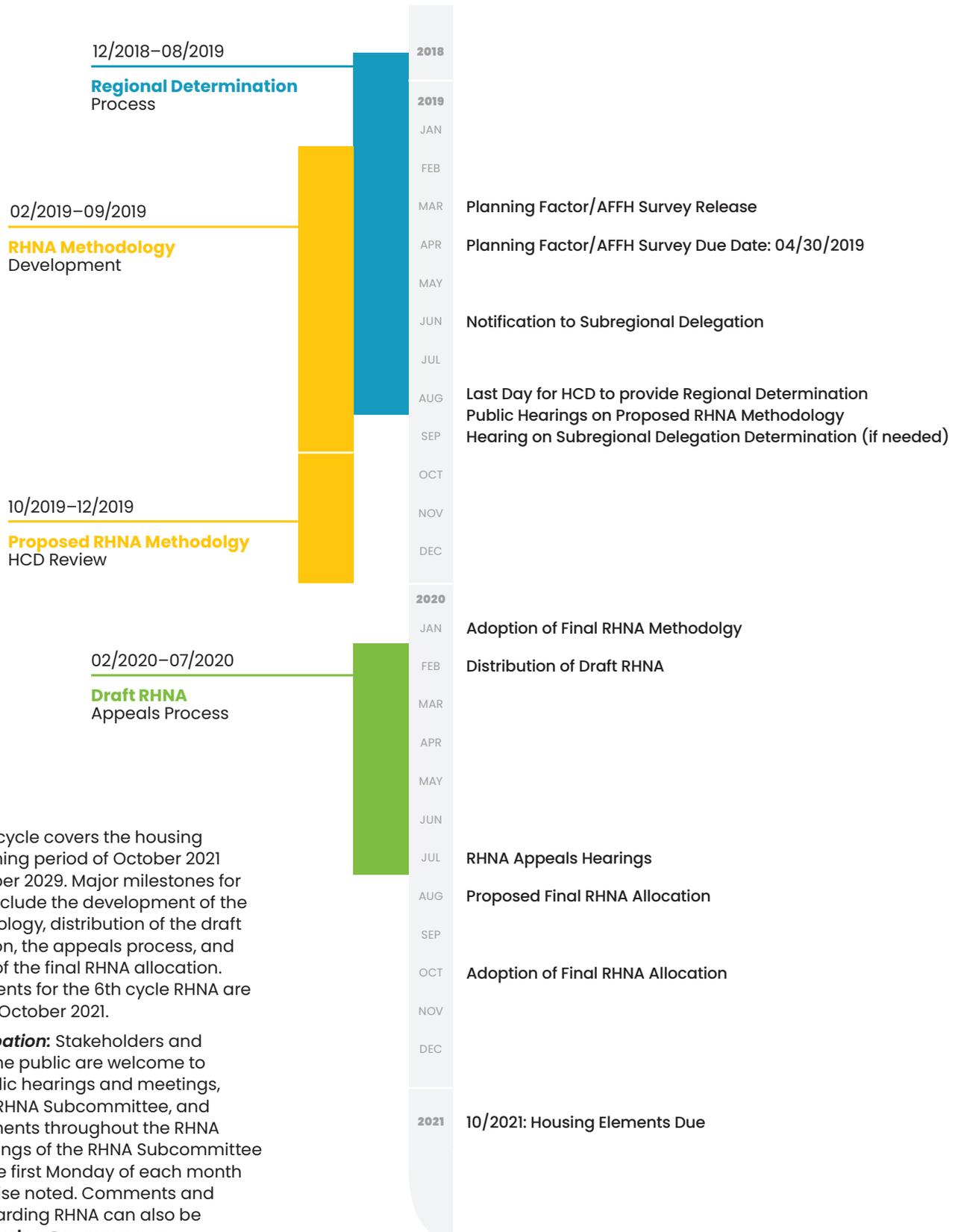
There being no further business, Chair Peggy Huang adjourned the meeting at 11:56 AM.

The next regular meeting of the RHNA Subcommittee is scheduled for Monday, April 1, 2019 at 10:00 AM at the Wilshire Grand Center, 900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017.

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DEVELOPMENT TIMELINE

6TH CYCLE RHNA *(subject to change)*



The 6th RHNA cycle covers the housing element planning period of October 2021 through October 2029. Major milestones for jurisdictions include the development of the RHNA methodology, distribution of the draft RHNA allocation, the appeals process, and the adoption of the final RHNA allocation. Housing elements for the 6th cycle RHNA are due to HCD in October 2021.

Public Participation: Stakeholders and members of the public are welcome to attend all public hearings and meetings, including the RHNA Subcommittee, and provide comments throughout the RHNA process. Meetings of the RHNA Subcommittee are held on the first Monday of each month unless otherwise noted. Comments and questions regarding RHNA can also be emailed to housing@scag.ca.gov.

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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	
2	December 2018	Subregional delegation guidelines; best practices for housing implementation; introduction to the regional determination process; recommend Subcommittee charter	Recommend Subcommittee charter
3	February 2019	Regional determination process; local input process update; local planning factor/affirmatively furthering fair housing and replacement need survey discussion; recommend subregional delegation guidelines	Recommend subregional delegation guidelines to CEHD
4	March 2019	Regional determination process (continued); finalize local planning factor/affirmatively furthering fair housing and replacement need survey; discussion on social equity adjustment	Release local planning factor/affirmatively furthering fair housing and replacement need survey to local jurisdictions and subregions
5	April 2019	Election of Subcommittee Vice Chair; regional determination process (continued); discussion on RHNA distribution and social equity adjustment (continued)	
6	May 2019	Update from HCD; regional determination process (continued); discussion on RHNA distribution and social equity adjustment (continued)	Approve draft packet for consultation process with HCD; approve a distribution methodology for inclusion in the proposed RHNA methodology
7	June 2019	Survey results for local planning factors, affirmatively furthering fair housing, and replacement need; continued discussion on methodology: overcrowding; at-risk affordable units; high housing cost burdens; farmworker housing; homelessness; other existing housing needs	
8	July 2019	Continued discussion on proposed RHNA Methodology; RHNA costs	Release proposed methodology for public review; recommend RHNA costs to CEHD
	August/ September 2019	Public Hearing(s) on Proposed Methodology	
9	October 2019	Review comments received on proposed RHNA methodology	Recommend submittal of proposed methodology to HCD
10	January 2020	Review comments from HCD on draft RHNA methodology; RHNA appeals process guidelines	Recommend RHNA methodology adoption to CEHD; adopt RHNA appeals process guidelines
11	February 2020	Recommend distribution of draft RHNA allocation	Recommend distribution of draft RHNA allocation to CEHD
12	July 2020	Hearing on appeals	Determine appeals
13	July 2020	Review and ratify the decisions on appeals	Issue written decisions regarding appeals
14	August 2020	Final meeting	Recommend to CEHD proposed Final RHNA Allocation Plan

*Meetings of the RHNA Subcommittee are held on the first Monday of the month, unless otherwise noted.

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Summary of Written Comments Related to RHNA Received by SCAG (as of 03/20/19)

Date Received	Name	Organization	Topic(s)	Summary
12/02/18	Gail Shiomoto-Lohr	City of Mission Viejo	Subcommittee charter, subregional delegation, growth forecast	Clarification is needed about legislative amendments to trade and transfer. Confirmation is needed about SCAG's role in methodology and liability in delegating subregions. Questions were asked about overcrowding rates.
10/11/18	Hon. John Mirisch	City of Beverly Hills	Subcommittee membership	Concerns were expressed regarding the membership of the Subcommittee and provided suggestions.
01/17/19	Hon. John Mirisch	City of Beverly Hills	Urban sprawl	A link to a research article was shared questioning the role of urban sprawl.
02/04/19	Hon. John Mirisch	City of Beverly Hills	Role of housing supply, single family homes, subcommittee membership	Concerns were shared about the role between housing price and housing supply, along with the choice of single family homes. Subcommittee membership concerns were also expressed.
03/11/19	Hon. John Mirisch	City of Beverly Hills	Subcommittee membership, upzoning, single family homes	Concerns were expressed regarding the nature of the Subcommittee discussion on March 4, 2019. Comments were provided on the effects of upzoning and building single family homes.

To review the original comments or to provide comments on the RHNA process, please contact housing@scaq.ca.gov.

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
April 1, 2019

To: Regional Housing Needs Assessment Subcommittee (RHNA)

INTERIM
EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Senior Regional Planner, Compliance &
Performance Monitoring, (213) 236-1975, johnson@scag.ca.gov

Subject: Updates from the California Department of Housing &
Community Development (HCD)

RECOMMENDED ACTION:

For Information Only – No Action Required.

STRATEGIC PLAN:

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

EXECUTIVE SUMMARY:

Megan Kirkeby, Assistant Deputy Director of Fair Housing at the California Department of Housing and Community Development (HCD), will provide an update on the RHNA process to the RHNA Subcommittee along with Statewide legislative and budget updates relating to local housing planning and implementation.

BACKGROUND:

Megan Kirkeby, Assistant Deputy Director of Fair Housing at the California Department of Housing and Community Development (HCD) will provide an update on the RHNA process to the RHNA Subcommittee along with Statewide legislative and budget updates relating to local housing planning and implementation.

FISCAL IMPACT:

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

ATTACHMENT(S):

- 1. PowerPoint Presentation from HCD



Regional Housing Need Assessment/Allocation (RHNA) Overview

California Department of Housing & Community Development
Division of Housing Policy Development



Statutory Objectives of RHNA

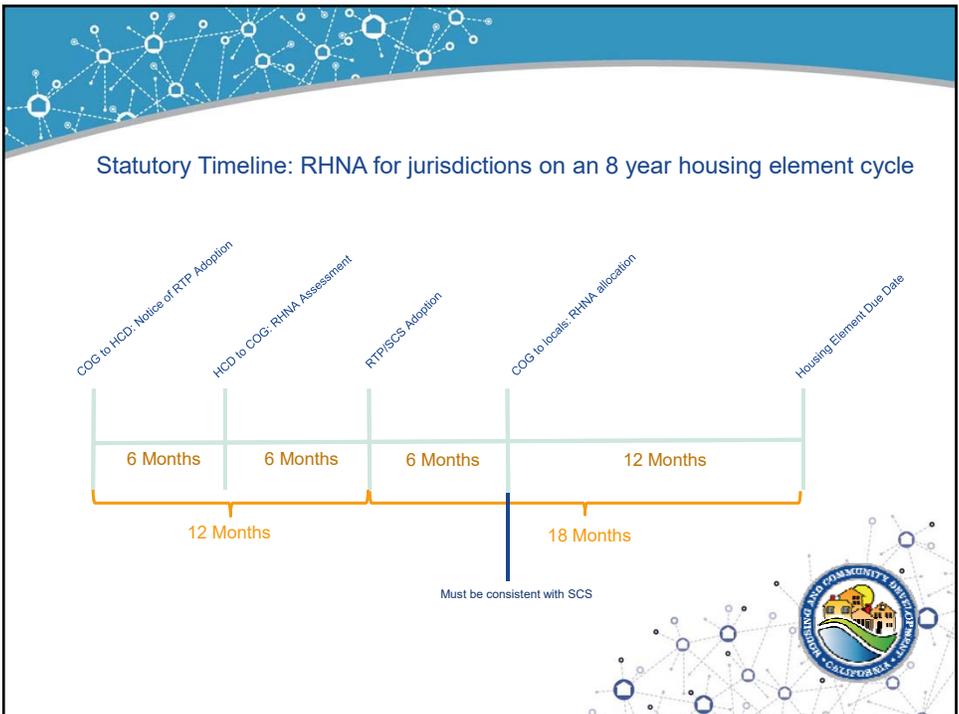
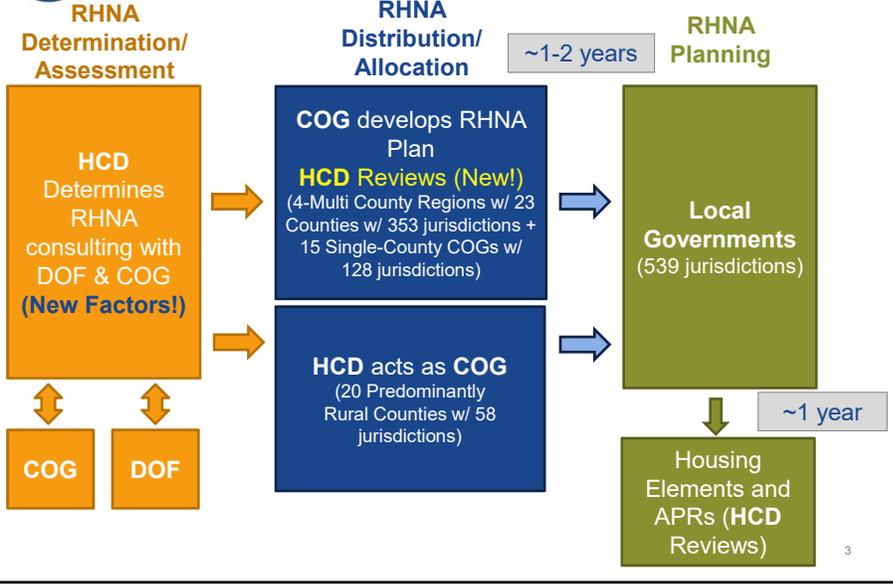
- Increase housing supply & mix of housing types, tenure & affordability **in an equitable manner**
- Promote infill development & socioeconomic equity, protect environmental & ag resources, & encourage efficient development patterns (the State “planning priorities”)
- Promote improved intraregional jobs-housing relationship **including jobs housing fit**
- Balance disproportionate household income distributions **(more high income RHNA to lower income areas and vice-versa)**
- **Affirmatively furthering fair housing**

Source: Government Code 65584(d)

2



The RHNA Process





RHNA Determination Factors (HCD to COG)

RHNA Determination Factors			
1	(DOF) Projected Population at end of cycle (<u>Demographic Research Unit</u>).		
2	(DOF) Convert Projected Population to Projected Households		
3	(HCD) <i>Adjustment increase for average housing unit replacement, unhealthy vacancy rate (below 5%), jobs housing imbalance, cost burden and overcrowding factors</i>		
4	Less: Occupied Units Projection Period Start (DOF)		
5	(HCD) RHNA Determination		
Very Low Income	Low Income	Moderate Income	Above Moderate Income
<50% Area Median Income	50-80% Area Median Income	80%-120% Area Median Income	>120% Area Median Income

Source: Government Code 65584.01

5



COG RHNA Distribution Methodology [GC 65584.04(d)]

COG must consider these factors:

- Existing and projected jobs and housing relationship
- Housing opportunities and constraints (inadequate capacity of infrastructure/services) (availability of suitable land) (preserved/protected/prime agricultural land)
- Distribution of household growth assumed for comparable period of RTP
- County-city agreement to direct growth toward city
- Loss of publicly assisted housing units
- High housing cost burdens
- Overcrowding**
- Farmworker housing needs
- Housing need generated from private or public university
- Loss of units during a state of emergency**
- Greenhouse gas emissions targets**
- Other factors adopted by the COG that further or at minimum do not conflict with statutory objectives

6



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
April 1, 2019

To: Regional Housing Needs Assessment Subcommittee (RHNA)

INTERIM
EXECUTIVE DIRECTOR'S
APPROVAL

From: Ma'Ayn Johnson, Senior Regional Planner, Compliance & Performance Monitoring, (213) 236-1975, johnson@scag.ca.gov

Subject: Regional Distribution and Social Equity Factors in RHNA Methodology

RECOMMENDED ACTION:

Information Only – No Action Required.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

SCAG staff is seeking further input on the distribution mechanism that will be used in the development of the proposed RHNA methodology. The RHNA Subcommittee indicated that other factors, including proximity to transit and jobs housing fit, should be considered beyond the household income distribution method that was used in the prior RHNA cycle. Other councils of governments used different factors in their respective RHNA methodologies. SCAG staff will use the guidance provided by the RHNA Subcommittee and provide a recommendation on RHNA distribution methodology and social equity adjustment at the May 6, 2019 Subcommittee meeting.

BACKGROUND:

SCAG staff is beginning to develop the distribution mechanism that will be used in the proposed RHNA methodology and is seeking input from the RHNA Subcommittee. At its March 4, 2019 meeting, the RHNA Subcommittee engaged in a discussion on regional social equity and how to determine an equitable RHNA distribution. The Subcommittee provided input for SCAG staff on different factors to consider in developing recommendations to ensure that the RHNA methodology meets the objectives of RHNA law. The March 4 discussion indicated that the previous RHNA cycle methodology, which used a jurisdiction's household income distribution in comparison to the county distribution to determine RHNA need by income category, was a good starting point. However, RHNA Subcommittee members expressed that other factors, such as access to public transportation, jobs housing fit, and cost burdened households, should be explored. Additionally, there was interest in reviewing prior RHNA methodologies of other councils of governments (COGs).

This staff report analyzes data sets based on the factors discussed and also reviews methodologies adopted by other COGs. Based on the discussion of the April 1, 2019 RHNA Subcommittee meeting and further input from the Subcommittee, SCAG staff will provide a recommendation at the Subcommittee's May 6, 2019 meeting that will be included in the proposed RHNA methodology, which is expected to be ready for public comment and review by September 2019.

Objectives of State Housing Law and Social Equity and Affirmatively Furthering Fair Housing (AFFH)

The RHNA methodology developed by SCAG must meet the five objectives of Government Code Section 65584.

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.*
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.*
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*

The fourth and fifth objectives specifically outline the need to consider a level of social equity in the RHNA distribution, namely:

- (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.*

[and]

- (5) Affirmatively furthering fair housing*
 - (e) For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas*

of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

State housing law does not specify how to achieve these goals and leaves it up to COGs to develop their own methodology to achieve them.

Anatomy of a RHNA Allocation

The general process to determine a jurisdiction’s draft RHNA allocation is to determine first its total RHNA. The total RHNA allocation is the jurisdiction’s share of existing and projected housing needs in the region. Once the jurisdiction’s total is calculated, it is then divided into four household income categories based on the county median income. The final RHNA of each jurisdiction, by income category, must add up to the same total of the regional total RHNA provided by the California Department of Housing and Community Development (HCD) during the RHNA process. For the 6th RHNA cycle, the regional determination will be provided no later than August 2019.

A draft RHNA allocation is derived from the application of an adopted methodology to the regional determination provided by HCD. The development of the RHNA allocation methodology is a separate process from the regional determination. To determine a jurisdiction’s draft RHNA allocation from the regional determination, a four step process is used.

Regional Projected Housing Need	Regional Existing Housing Need
+Household growth	+Overcrowding
+Vacancy need	+Vacancy need
+Replacement need	+Cost-burdened
=Projected housing need	=Existing housing need

As staff presented at the February and March 2019 meeting, the Regional Determination will include projected housing need and existing housing need with their components above. The regional projected housing need is a combination of the projected household growth, vacancy need, and replacement need. Projected household growth is primarily determined from the local input process and the vacancy need is a percentage applied to a jurisdiction’s household growth to account for the need for some vacancy in a healthy housing market. The purpose of a replacement need is to replace demolished units while the overcrowding component is intended to alleviate overcrowding conditions. Cost burdened is intended to address households that pay more than thirty (30) percent of their gross income on housing. The regional determination process defines the basis for these factors and are outside the main scope of the RHNA methodology process. **As discussed in December 2018, February 2019, and March 2019 RHNA Subcommittee staff reports, key legislative changes are expected to substantially change this determination process—namely the inclusion of region-level additional data elements which estimate existing housing need.**

Region	Projected need	Existing need
Jurisdiction	Projected need	Existing need
Jurisdiction (with social equity adjustment)	Projected need	Existing need

The second step is to allocate regional projected housing need to each jurisdiction. Since October 2017, staff has engaged in an extensive local input process which established the household growth for each jurisdiction. This household growth number will be adjusted with vacancy and replacement needs to obtain local projected need. Finally, the local projected need may be adjusted so that the region as a whole would meet the regional projected need as provided by HCD.

The third step is to allocate the regional existing need to each jurisdiction which is the main focus of this report. Please note that below represents staff’s current thinking as staff would like to further consult with the Panel of Experts on allocation of the existing housing need from the regional level to the jurisdictional level.

Given the existing need has been accumulated over several decades and impacts have been region-wide, it is desirable that each of the 197 jurisdictions in the region share the responsibilities. There are several considerations in allocating the existing need.

First and the simplest could be allocating the regional existing need to each jurisdiction based on its current share of the region’s population or households.

Second, the allocation of regional existing housing needs could be based on the specific local jurisdictional factors related to existing needs, i.e., overcrowding, cost burdenedness and vacancy need. This approach, however, will only add more housing needs (particularly low income housing) to existing low income jurisdictions and will be inconsistent with state housing goals of social equity and AFFH.

Later in this report, staff discusses various factors and each of which may be used to adjust the jurisdiction’s share of regional existing housing need including, for example, transit proximity, job-housing fit and opportunity indices.

Once a jurisdiction’s total draft RHNA allocation is determined, the next step is to determine income distribution among four income categories.

Category	Household Income based on County Median Income
Very Low	Less than 50%
Low	50-80%
Moderate	80-120%
Above Moderate	Above 120%

For reference, the median household income by county using the most current data available data (ACS 2013-2017 5-year estimates) is as follows:

- Imperial County: \$44,779
- Los Angeles County: \$61,015
- Orange County: \$81,851
- Riverside County: \$60,807
- San Bernardino County: \$57,156
- Ventura County: \$81,972
- SCAG Region: \$64,989

RHNA Distribution: Factors for Consideration

RHNA Subcommittee members expressed that factors, such as access to public transportation, jobs housing fit, or other indices should be explored in addition to household income distribution. **For the purposes of discussion**, the next section provides a **preliminary look at** data on these other factors by county and a brief analysis of including them as a factor in RHNA distribution. **In addition, given the 6th cycle’s consideration of both projected and existing housing need, the Subcommittee can consider different allocation methodologies for projected versus existing need.**

Distribution of Low Income Households near Transit

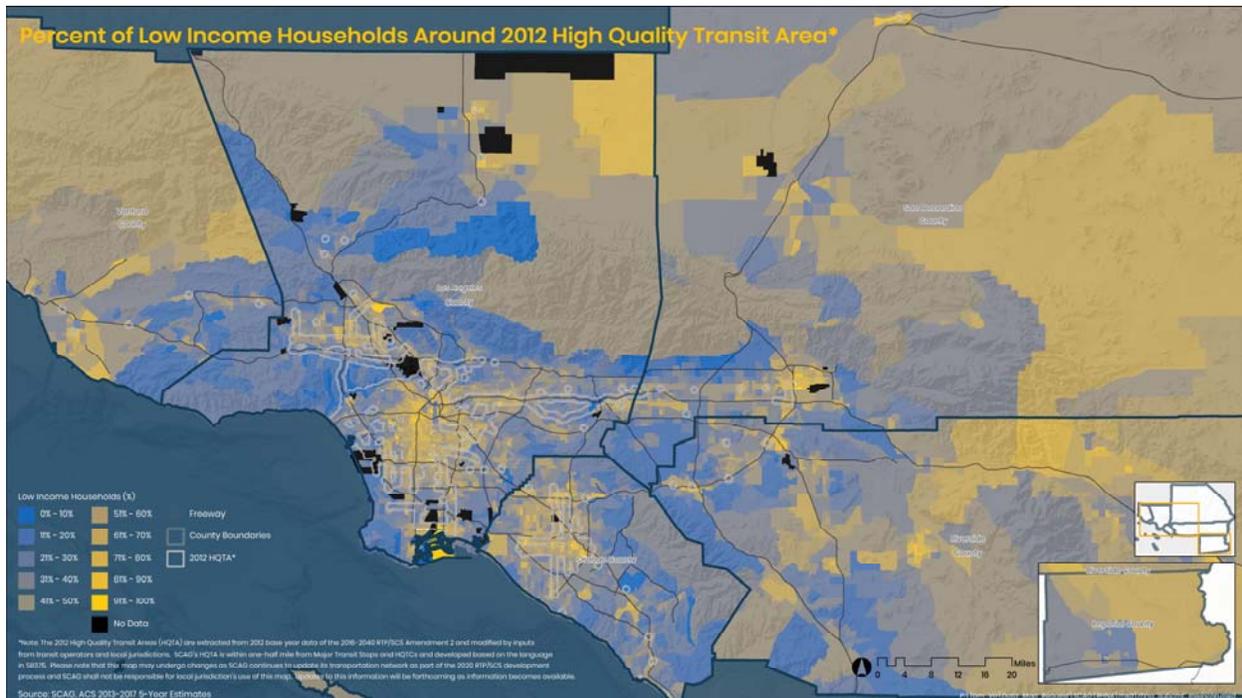
One of the statewide housing goals is to promote the reduction of greenhouse gas emissions through efficient land use planning. One way to achieve this is through encouraging transit use. SCAG’s 2012 and 2016 Sustainable Communities Strategy (SCS) provided an analysis of high quality transit areas (HQTAs), which are areas that are within a half-mile of transit stations and corridors that have at least a fifteen (15) minute headway (time in between the next scheduled service) during peak hours. Encouraging growth within HQTAs can promote the use of transit, resulting in lower commute times, reduced greenhouse gas emissions, and efficient land use patterns.

All SCAG counties, with the exception of Imperial County, have HQTAs. Of the almost 6 million households within the SCAG region, over 2.5 million, or 43%, live within an HQTA. The first map attachment to this report illustrates the HQTAs within the SCAG region using the 2012 SCS base year data along with the distribution of low income households. Table 1 below breaks down the percentage of households within HQTAs by RHNA income category and by county.

Table 1: Percentage of Households within HQTAs by Income Category and by County

County	All Households in HQTA	Very low	Low	Moderate	Above moderate
Imperial	--	--	--	--	--
Los Angeles	63.2%	72.2%	68.0%	64.0%	55.7%
Orange	30.5%	38.8%	37.8%	32.8%	21.8%
Riverside	2.8%	3.0%	3.4%	3.1%	2.5%
San Bernardino	8.8%	11.4%	10.5%	9.3%	6.3%
Ventura	18.3%	22.5%	20.7%	18.6%	14.7%
SCAG Region	42.5%	50.2%	46.2%	42.4%	36.6%

The percentage of households within HQTAs remarkably varies among income categories. Almost half of all very low income households in the five HQTAs counties live within an HQTAs while only 37% of above moderate income households do. On a regional level, this indicates there is a higher concentration of low income households that live close to transit than wealthier households while non-transit accessible areas have higher concentration of wealthier households than low income households.



This trend is seen in all five HQTAs counties, though due to variances in HQTAs availability the differences are more pronounced in counties with more transit infrastructure. For example, Los Angeles County has the largest transit network in the SCAG region and 63% of its households live within an HQTAs. Between the distribution of very low (72.2%) and above moderate income households (55.7%) in HQTAs, there is a 17% difference. In contrast, 2.8% of Riverside County households lives within an HQTAs but there is less than 1% difference between its very low and above moderate income group distribution. For this reason, if the Subcommittee directs staff to include transit accessibility in its recommendations on RHNA distribution methodology, it is recommended to first identify the total need for the county, then use an adjustment for HQTAs in that county. If HQTAs were used to adjust across the entire region, growth would be even further concentrated in Los Angeles County and would also overburden low income communities due to the fact that Los Angeles County has 57% of SCAG's very low income households. Using the county level as baseline would avoid some level of overconcentration and ensure that there is some equitable distribution.¹

¹ If HQTAs with a county basis are used as a determining distribution factor, SCAG staff will provide a separate recommendation for Imperial County distribution methodology since there are no HQTAs within the County.

In addition to HQTAs, SCAG's 2020 RTP/SCS Scenario Development process includes several other "Priority Growth Areas" including neighborhood mobility areas and job centers. While the delineation of these areas is still a work in progress as part of this process, preliminary figures indicate that while they cover roughly 5.4% of the region's land area, they represent 67.2% of recent (2008-2016) household growth and 62.7% of anticipated (2016-2045) growth based on preliminary results.

Assigning more existing need based on HQTAs will result in assigning more RHNA in areas with higher concentration of lower income households, which is contrary to the State housing goals of social equity and AFFH. Other adjustments may be needed in this case to ensure that the RHNA allocation plan is equitable and does not perpetuate historical segregation patterns.

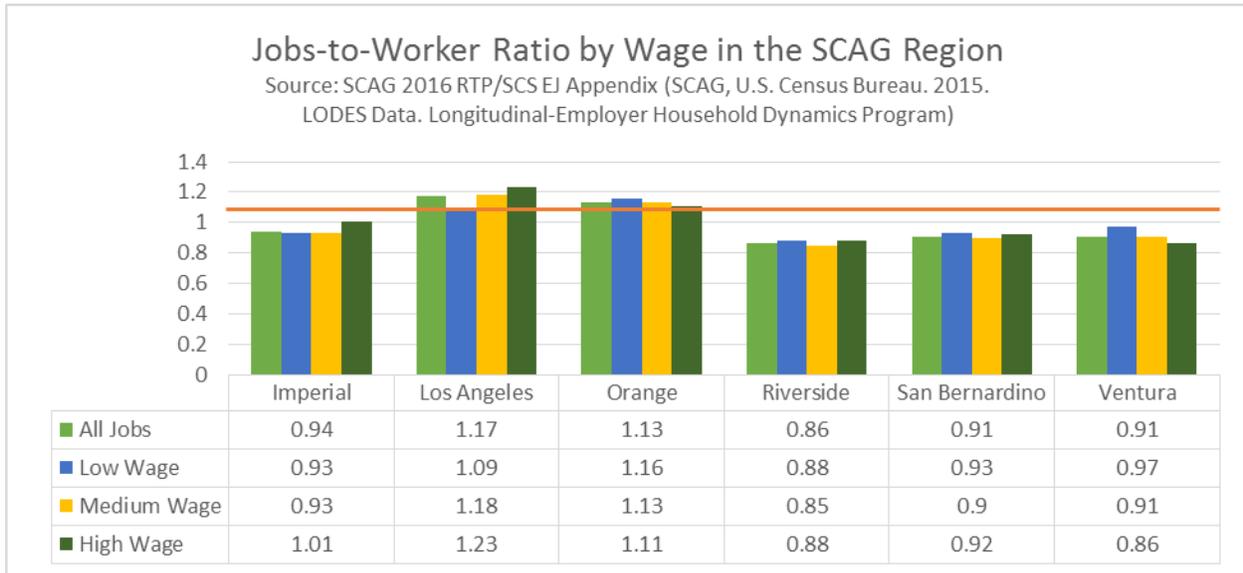
Jobs Housing Fit

The concept behind a jobs and housing relationship is to encourage residents to work closer to their jobs, ideally minimizing commute time and traffic. While the ideal ratio of jobs to housing is around 1.0, there is often a mismatch in the number of jobs a jurisdiction has in comparison to the number of households. Jurisdictions with a higher ratio than 1.0 are considered to be "jobs rich" or "housing poor" while jurisdictions with a ratio lower than 1.0 are considered to be "jobs poor" or "housing rich". In addition, jobs-housing ratios are complicated by the fact that residents can live in different jurisdictions than they work yet in many instances still experience a short commute distance across city limits, making jobs-housing ratios imperfect measures of this imbalance. Furthermore, while discussing this factor it is important to keep in mind that the scope of the RHNA process is limited only to influencing the distribution of housing and not the distribution of jobs.

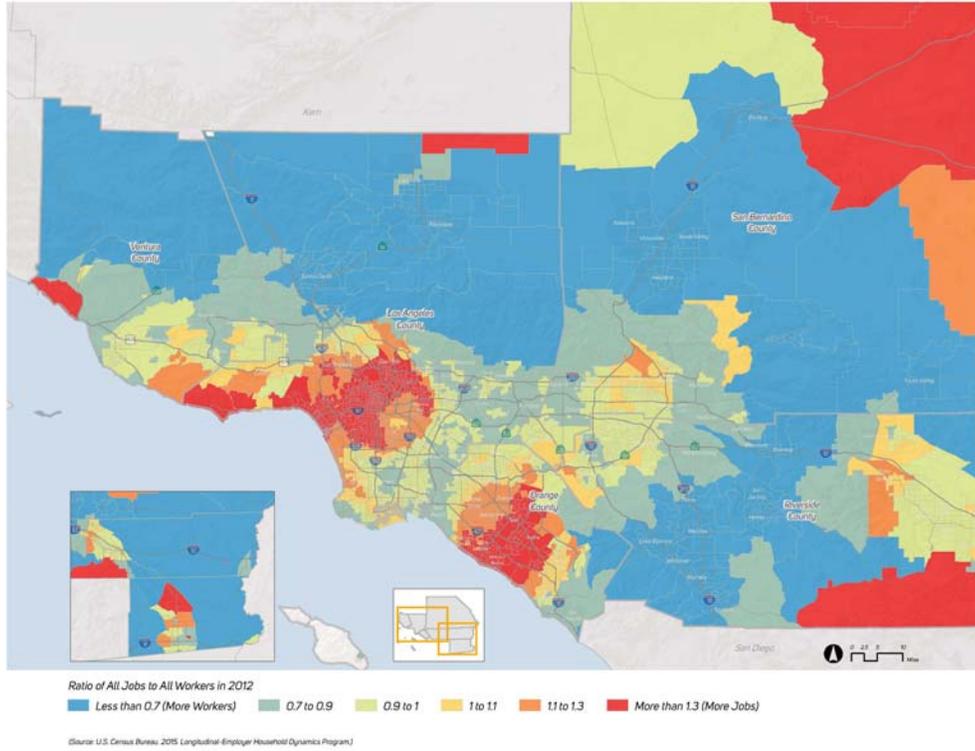
Beyond the concept of the jobs housing relationship is the idea of "jobs housing fit." A jurisdiction could have a ratio of 1.0 between jobs and housing, but the jobs may be low wage while local housing requires a high wage to be affordable. The mismatch can create a housing affordability problem in these areas. State law puts a specific emphasis on low wage jobs and local housing affordability, notably as the third housing goal listed in the prior section of this report.

Below is a chart outlining the jobs to worker ratio for each SCAG county along with a breakdown by wage category in 2012.

Jobs to Worker Ratio by Wage Category and by County, 2012

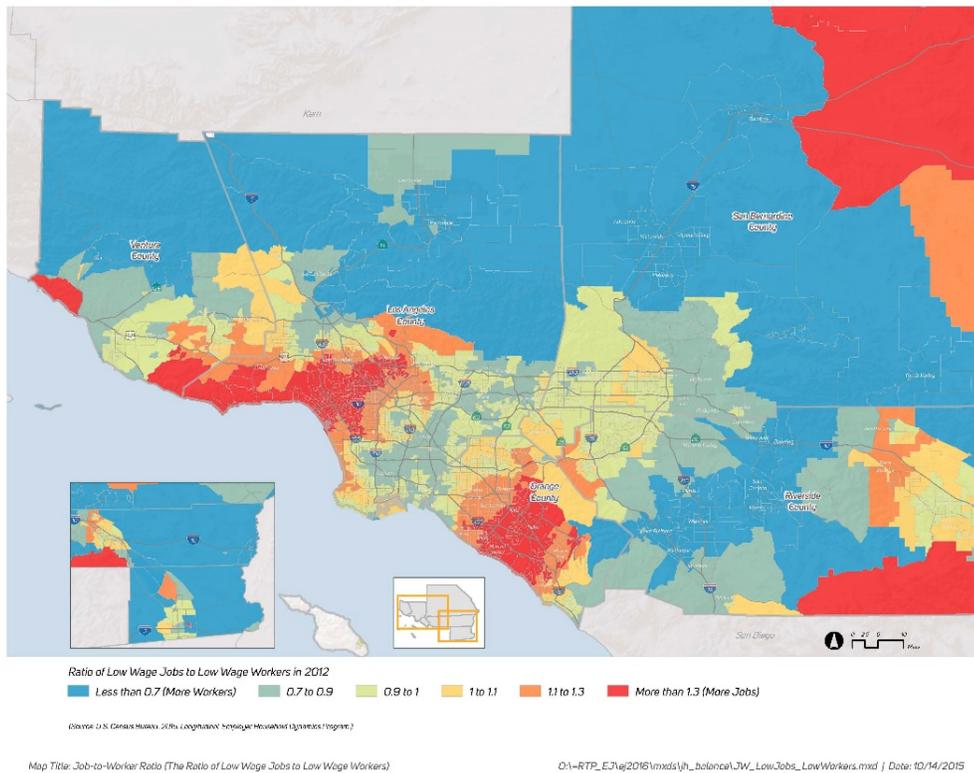


The table indicates that some counties are jobs rich since they have a higher ratio of jobs in comparison to workers that live there. However, the ratios for low wage jobs to low wage workers indicates that there is a bigger affordability problem in some areas, particularly when comparing the ratio for all jobs. A low wage ratio that is higher than the all job ratio can indicate that the area is “affordable housing poor”. The two maps below show where these trends were occurring as of 2012.



Map Title: Job-to-Worker Ratio (The Ratio of All Jobs to All Workers)

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Map Title: Job-to-Worker Ratio (The Ratio of Low Wage Jobs to Low Wage Workers)

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The first map is an illustration of all jobs to all workers and represents the overall jobs housing relationship throughout the SCAG region. The second map illustrates the ratio of low wage jobs to low wage workers and represents jobs housing fit.

An additional factor to consider is that calculating a jobs-housing ratio for jurisdictions may not capture the balance of jobs and housing within a reasonable commute distance, since this can often cross city limits. Most recent research suggests identifying a reasonable commute threshold (an example might be 10 miles, or 30 minutes) and determining jurisdiction-level balance by comparing jobs and housing within this range. A methodology that considers jobs housing fit as a determining factor for a total RHNA allocation could assign more RHNA units in jurisdictions that are “affordable housing poor” in comparison to the county ratio to encourage an increase the supply of housing overall. To avoid overburdening or continuing overconcentration of low income households, the methodology could then add a household income-based social equity adjustment as the next step.

Opportunity Indices

The goals of affirmatively furthering fair housing are to not only overcome patterns of segregation, but to also increase access to opportunity for historically marginalized groups, particularly in racially and ethnically concentrated areas of poverty. In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act.

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

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

Source: *Place and Opportunity*, Urban Institute, June 2018

While the Opportunity Indices have some degree of similarity to the transit accessibility and jobs housing fit factors discussed earlier in this report, they include other considerations in their calculations. For example, transit trips can be a measure of transit proximity but this index considers a single-parent low income family as its basis. The additional indices measuring environmental health and school proficiency can also provide a more comprehensive analysis of access to opportunity trends than a single factor that only considers the number of total jobs to housing, for example.

A RHNA methodology that uses Opportunity Indices as a primary influence could overlay select indices and determine scores by jurisdiction. Jurisdictions that are determined to have lower access to opportunity based on the indices score could be assigned a lower proportion of existing housing need while those with higher access to opportunity could be assigned a higher proportion. It is recommended that this mechanism be applied to existing need rather than projected need in order to ensure that current patterns of segregation are not perpetuated. Using this distribution application, the RHNA methodology would directly address both social equity and AFFH.

Currently, HCD in conjunction with researchers at UC Berkeley are developing a statewide Opportunity Index that can provide more recent datasets than what is currently available at the federal level. Provided that more information will be available in the coming months, SCAG will provide datasets and sample applications in analyses to the RHNA Subcommittee.

Income Category Adjustment

There are numerous ways to determine the final income category percentages from the draft total RHNA allocation. For the 5th RHNA cycle, SCAG applied a formulaic approach to meet the social equity objective of RHNA law. Also known as the “110% social equity adjustment”, this approach compared a jurisdiction’s distribution for each income category to the county distribution and then made an adjustment to each category distribution to the jurisdiction. Below is an example of how this was applied.

Existing Distribution			Adjusted Distribution (110%)		
Household income level	City A	County distribution	Household income level	City A adjusted distribution	Final RHNA allocation (units) = 1,000
Very low income	36%	25%	Very low income	23.9%	239
Low income	19%	16%	Low income	15.7%	157
Moderate income	13%	15%	Moderate income	15.2%	152
Above moderate	32%	44%	Above moderate	45.2%	452

In the example above, City A has a higher distribution of very low and low income households than the County's distribution and a lower distribution of moderate and above moderate income than the County's distribution.

If the adjustment was 100%, City A's distribution would be exactly the County's distribution. Conceptually the 110% adjustment means that the City meets the County distribution and goes beyond that threshold by 10%, resulting in a higher or lower distribution than the County depending on what existing conditions are in the City. Below is the formula used.

Household Income Level	City A Adjusted Allocation
Very Low Income	$36\% - [(36\% - 25\%) \times 110\%]$
Low Income	$19\% - [(19\% - 16\%) \times 110\%]$
Moderate Income	$13\% + [(15\% - 13\%) \times 110\%]$
Above Moderate Income	$32\% + [(44\% - 32\%) \times 110\%]$

A jurisdiction that has a higher distribution of above moderate income households would experience the opposite of City A. Using a 110% adjustment, the wealthier jurisdiction would have a RHNA distribution for above moderate households higher than the County distribution and a higher distribution of low income households than the County.

To further prevent overburdening of low income households in jurisdictions similar to City A and encourage further social equity as a region, a RHNA methodology could increase the formula's percentage to higher percentage adjustments, for example 125% or 175%. Below is an example of the income breakdown for City A if a social equity adjustment of 175% were applied in the 5th RHNA cycle. The differences between City A's adjusted distribution at 175% and the existing County distribution are noticeably higher than at the 110% adjustment.

Existing Distribution

Adjusted Distribution (175%)

Household income level	City A	County distribution		Household income level	City A adjusted distribution	Final RHNA allocation (units) = 1,000
Very low income	36%	25%	➔	Very low income	16.75%	168
Low income	19%	16%		Low income	13.75%	138
Moderate income	13%	15%		Moderate income	16.5%	165
Above moderate	32%	44%		Above moderate	53.0%	530

At its March 4, 2019 meeting, the Subcommittee indicated that the 110% social equity adjustment used in the 4th and 5th RHNA cycles was a good starting point but is not enough to address communities that have a high concentration of low income households in comparison to the county distribution. This input reflects the recommendations of the RHNA and Housing Element Reform Subcommittee, which was formed after the completion of the 5th RHNA cycle to address issues that arose from the process. In its final report in 2015, the RHNA and Housing Element Reform Subcommittee shared concern that the 110% adjustment should be reviewed for future cycles and recommended that the 6th RHNA cycle methodology include analysis of other methodologies for RHNA distribution.

The application of the social equity adjustment may be dependent on the method chosen for RHNA distribution. For example, if existing need is allocated in a way that takes into account social equity, a social equity adjustment may not be needed. Conversely, a factor may result in more distribution of existing need in areas with a high concentration of lower income households, which is contrary to the social equity and AFFH goals of State housing law. To address this possible circumstance, the social equity adjustment could be applied only to a jurisdiction's projected housing need.

Methodologies of Other COGs

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

Association of Bay Area Governments (ABAG)

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

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

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

After determining the total allocation, a 175 percent social equity adjustment was applied. Similar to SCAG's 110 percent adjustment ABAG's adjustment compared a jurisdiction's household income distribution to the area income distribution and made formulaic adjustments, though as indicated earlier in this staff report the differences between the jurisdiction and county distribution are much higher. For the 4th RHNA cycle, ABAG also used the same 175 social equity adjustment.

Sacramento Area Council of Governments (SACOG)

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

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

San Diego Association of Governments (SANDAG)

SANDAG is the COG for the 19 jurisdictions within San Diego County. Their 5th cycle RHNA methodology applied the regional income distribution that was used in the regional determination provided by HCD, though several conditions were added to this social equity application. SANDAG's methodology is available in Appendix D of:

https://www.sandag.org/uploads/publicationid/publicationid_1661_14392.pdf.

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

Next Steps

SCAG staff is seeking input and further guidance from the RHNA Subcommittee on the factors discussed in this staff report, and if they are a determining factor how they should be applied in the methodology to later calculate each jurisdictions' draft RHNA allocation. It is recommended that the Subcommittee determine which factors, if any, should influence existing housing need and then

determine the social equity percentage adjustment to calculate income categories. The aforementioned factors and data can be used alone or in any combination.

Based on the April 1 discussion of the Subcommittee, at the May 6, 2019 meeting SCAG staff will provide different options on RHNA distribution for the Subcommittee to review and recommend to include in the proposed RHNA methodology. Different components of the proposed RHNA methodology will be reviewed over several RHNA Subcommittee meetings. Staff will compile the input and recommendations of the Subcommittee into a single document for a comprehensive review for the Subcommittee's July 2019 meeting agenda. Subsequent to the Subcommittee's recommended release, SCAG will hold at least one public hearing in August or September 2019 on the proposed methodology before the Subcommittee's recommended submittal of the proposed methodology to HCD.

FISCAL IMPACT:

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

ATTACHMENT(S):

1. Distribution Methodology and Social Equity

Regional Distribution and Social Equity Factors in RHNA Methodology

Ma'Ayn Johnson, AICP

Compliance and Performance Monitoring



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



Objectives of RHNA



- 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



Stages of a RHNA Allocation



Region	Projected need	Existing need
Jurisdiction	Projected need	Existing need
Jurisdiction with social equity adjustment	Projected need	Existing need

Regional Projected and Existing Need



Regional Projected Housing Need	Regional Existing Housing Need
+Household growth	+Overcrowding
+Vacancy need	+Vacancy need
+Replacement need	+Cost-burdened
=Projected housing need	=Existing housing need

Allocation of Regional Existing Need to Local Jurisdictions

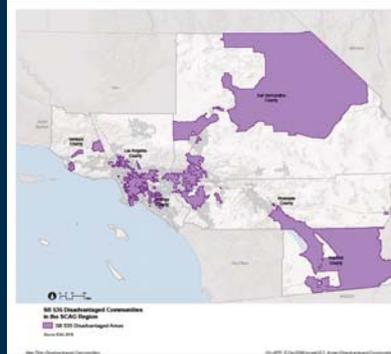


- Each jurisdiction will receive a share of the region's existing housing need
- Existing need has accumulated over several decades and is a regionwide responsibility
- Different ways to distribute existing housing need
 - Current share of regional population or households
 - Specific local jurisdictional factors as a modification

Modifying Existing Housing Need



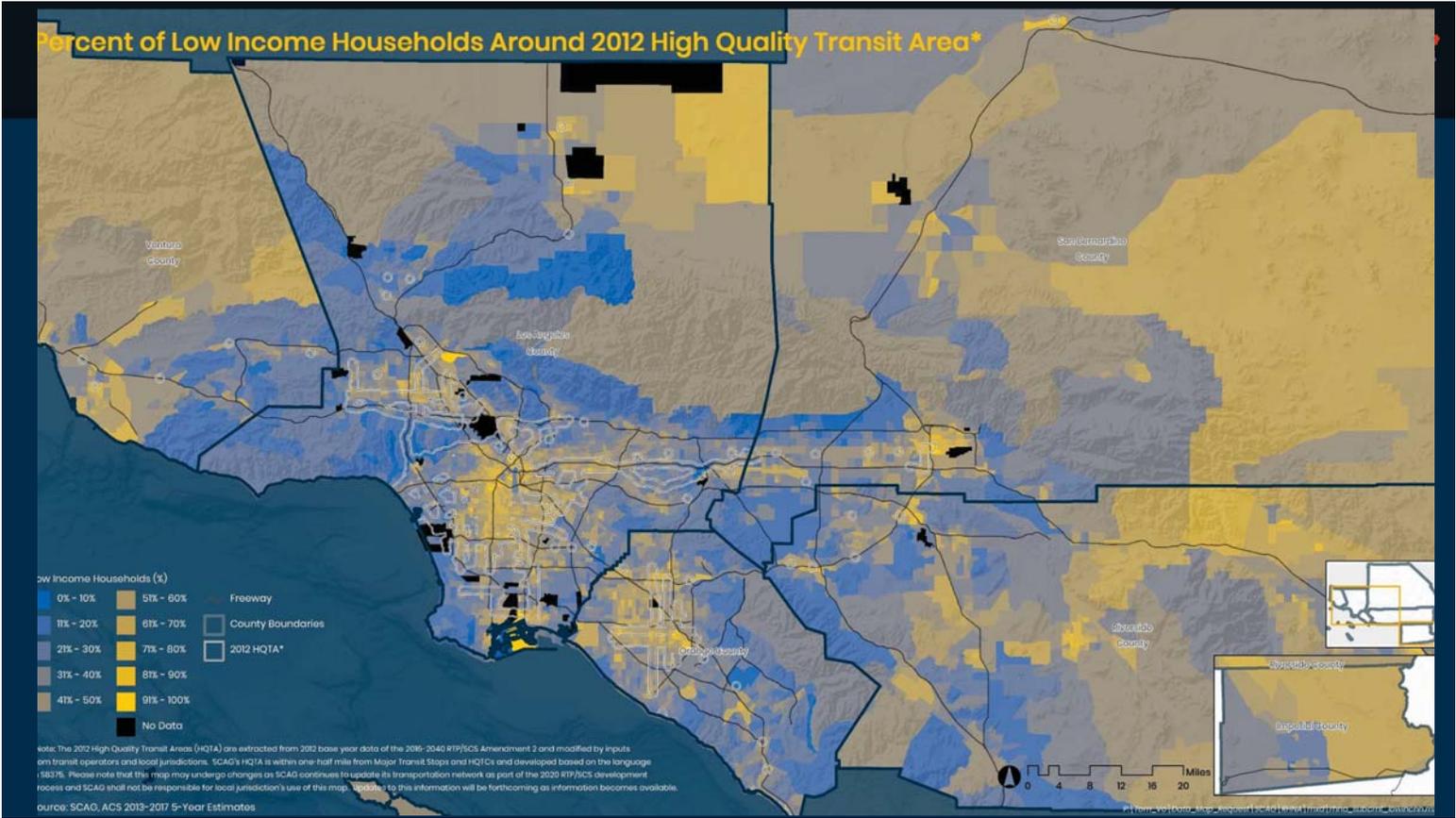
- Factors for consideration:
 - Access to transit
 - Jobs Housing fit
 - Opportunity Indices



Modifying Existing Housing Need: Access to Transit



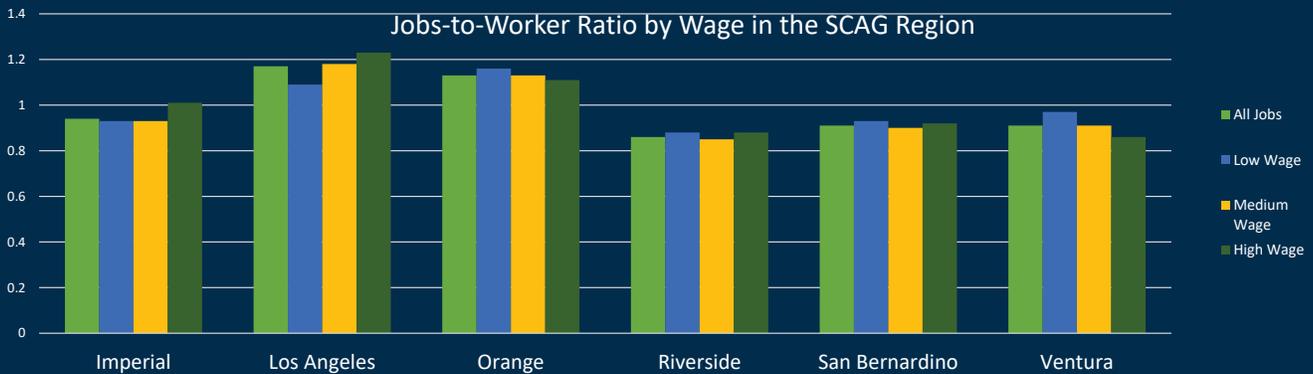
- High Quality Transit Areas (HQTAs) from SCAG's 2016 Regional Transportation Plan/Sustainable Communities Strategy
- 43% of SCAG households live within an HQTA
- Overall trend: Lower income households tend to live within an HQTA
- Overall trend: Wealthier households tend to live outside an HQTA
- Caveat: Might distribute more RHNA to areas where there is already an overconcentration of lower income households

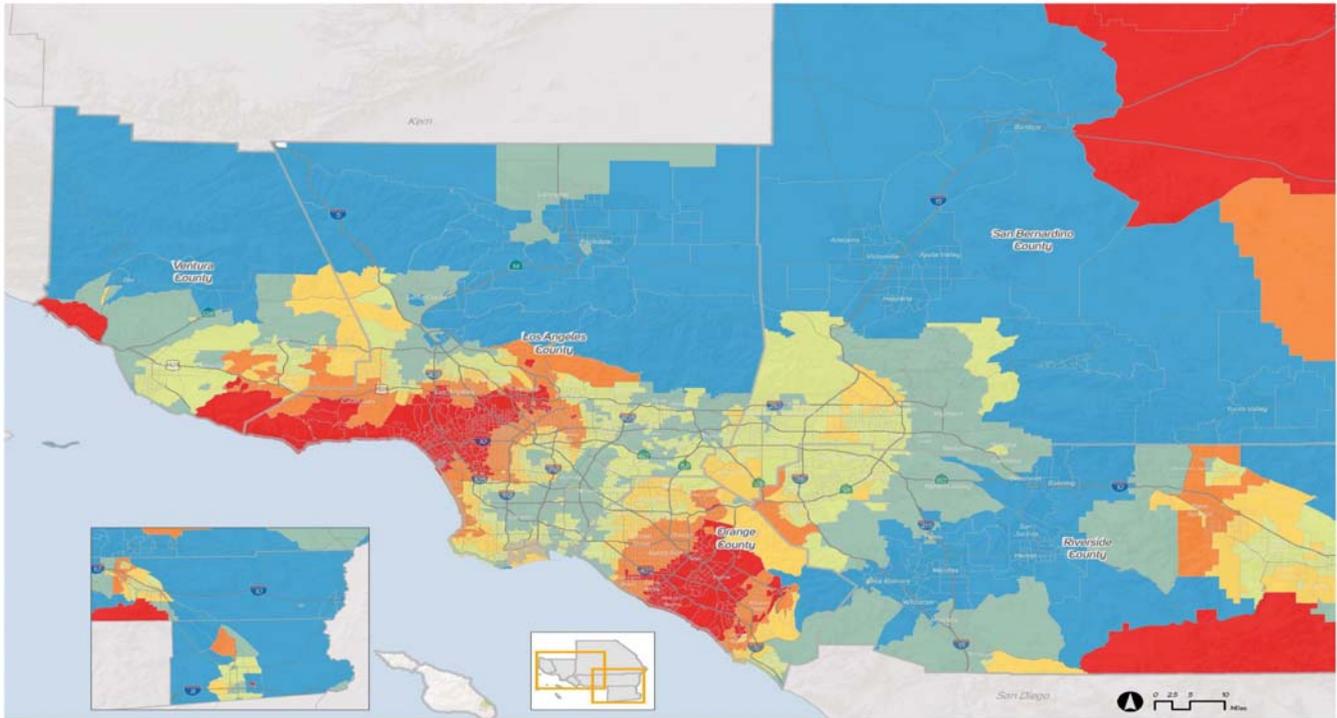


Modifying Existing Housing Need: Jobs Housing Fit



- Jobs housing fit includes consideration of housing affordability to low wage jobs
- Overall trend: Some areas are “affordable housing poor” (e.g., higher ratio of low wage jobs to workers than overall jobs to workers)
- Possible approach: Distribute X% of regional existing housing need to areas that are “affordable housing poor”





Ratio of Low Wage Jobs to Low Wage Workers in 2012
 ■ Less than 0.7 (More Workers) ■ 0.7 to 0.9 ■ 0.9 to 1 ■ 1 to 1.1 ■ 1.1 to 1.3 ■ More than 1.3 (More Jobs)

(Source: U.S. Census Bureau, 2015, Longitudinal Employer Household Dynamics Program.)

Map Title: Job-to-Worker Ratio (The Ratio of Low Wage Jobs to Low Wage Workers)

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Modifying Existing Housing Need: Opportunity Indices



- Seven indices developed by U.S. Department of Housing and Urban Development (HUD)
- Measures various factors relating to access to opportunity, such as poverty rates, environmental health, and jobs proximity
- Directly addresses social equity and AFFH

Weighted Factor: Opportunity Indices



- Overlap and similarities with HQTAs and Jobs Housing Fit Factors
 - *Jobs proximity*
 - *Environmental health*
 - *Labor market engagement*
 - *Low poverty*
 - *Low transportation cost*
 - *School proficiency*
 - *Transit trip*

Social Equity Adjustment



- Total draft RHNA divided into 4 income categories
- Social equity adjustment can be applied to avoid overconcentration of lower income households
- Can be applied only to projected housing need

Social Equity Adjustments



Income Category	City A Existing Distribution	County Existing Distribution/ 100% Adjustment	110% Adjustment	175% Adjustment
Very low income	36%	25%	23.9%	16.75%
Low income	19%	16%	15.7%	13.75%
Moderate	13%	15%	15.2%	16.5%
Above moderate	32%	44%	45.2%	53%

Other COG Methodologies



- ABAG (109 jurisdictions)
 - Applied a 70% total housing need to priority development areas (PDA)
 - PDA: Highly urbanized areas with high access to transit
 - Caps on maximum percentage of growth
 - Remaining 30% of areas received additional allocation based on:
 - Residential permits issued
 - High job growth
 - Transit access
- 175% social equity adjustment

Other COG Methodologies



- SANDAG (19 jurisdictions)
 - Review of housing element capacity
 - No more than 20 dwelling units per acre based on “default density” calculation
 - After cap reached, 112% distribution for the 14/19 jurisdictions
- SACOG (28 jurisdictions)
 - 100% social equity
 - Trendline to achieve regional income parity by 2050

For more information

www.scag.ca.gov

Email: housing@scag.ca.gov

