CITY OF LOS ANGELES
CALIFORNIA

ERIC GARCETTI
MAYOR

August 10, 2022

Southern California Association of Governments
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CITY OF LOS ANGELES RHNA REFORM PUBLIC COMMENTS

On behalf of the City of Los Angeles (the City), we would like to thank the Southern California Association of Governments (SCAG) for the opportunity to provide comments on Regional Housing Needs Assessment (RHNA) Reform. The following comments are from the Los Angeles City Planning and Housing Departments, who jointly prepared the City of Los Angeles Housing Element which was certified by the Department of Housing and Community Development (HCD) on June 29, 2022.

The RHNA and Allocation Methodology are critical for meeting the region's sustainability goals, addressing climate change, reducing vehicle miles traveled (VMT), and ensuring that high opportunity areas are providing adequate housing capacity at all income levels to promote equity. Significant improvements have been made to the Housing Element and RHNA process over the last cycle to ensure that all jurisdictions in the state do their fair share to meet housing needs, and that housing planning Affirmatively Furthers Fair Housing (AFFH) in alignment with Assembly Bill (AB) 686. It is critical that this progress is not eroded as RHNA reforms are taken under consideration. To that end, the comments provided herein are intended to reinforce this recent progress and make suggestions for how equity and accountability can be better incorporated in the RHNA process.

Prior City of Los Angeles Comments on RHNA Allocation Methodology

The comments provided in this letter build upon prior comments on the Draft RHNA Allocation Methodology that were supported by the Los Angeles Mayor and City Council and submitted to SCAG on November 5, 2019 (Attachment 1). The City is pleased that several of the suggested revisions were incorporated in the Final RHNA Allocation Methodology, including removing consideration of current zoning capacity and past growth rates from the formulation of the existing

need component of the RHNA Allocation methodology. Nonetheless, some key recommendations provided in that comment letter continue to be relevant to the discussion of RHNA Reform both within SCAG and at the state level. The issues raised in the City's November 2019 comment letter remain a priority and could be addressed through greater clarity in state law and guidance. As such, a summary of those pertinent comments is reiterated in this letter as follows:

- **Jobs Access Factor** - To promote a better regional jobs/housing relationship, improve VMT, and further fair housing, the RHNA Allocation Methodology should consider jobs-housing fit, and not solely jobs-housing balance. Methodology should include factors related to the location of low wage jobs and affordable housing.

  Under state Housing Element law, each region is required to "Promot[e] 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" (GC Section 65584 (d)(3)). However, SCAG staff indicated that there is not sufficient data on low-wage jobs to more explicitly address the jobs-housing fit for low-income households. HCD should provide more clarity to regional governments on the datasets that should be used when evaluating the jobs/housing relationships.

- **Transit Access Factor** - To encourage continued development of housing near high quality transit, the transit access factor in the RHNA Allocation methodology should consider the total acreage or land area in a jurisdiction that is located in a high quality transit area (HQTA). Existing methodology considers the percentage of the total population living within a HQTA, which does not balance housing need to all jurisdictions that have high transit access but low population. This inadvertently "rewards" jurisdictions that have not historically planned for housing near regional transit stops and corridors.

  Although state law requires that a regional housing needs allocation plan promote infill development and socioeconomic equity and achieve the region's greenhouse gas reductions targets (GC Section 65584 (d)(2)), state law and HCD guidance do not provide specific recommendations on how to integrate HQTAs within the RHNA process. HCD should provide additional guidance that when planning for housing near transit the calculations should be based on the land area near both existing and planned transit lines.

- **Social Equity Adjustment** - The social equity adjustment should address inequities across the SCAG Region, and therefore should not be limited to adjustments within individual counties but should rather provide for adjustments across the region.

  The sixth cycle RHNA marked the first cycle where a social equity adjustment was required to be included in the RHNA Allocation Methodology. While the City appreciates SCAG's efforts to develop an appropriate methodology to ensure that RHNA Allocations reflect affirmatively furthering fair housing goals, AFFH is a matter of statewide importance, and

it may be beneficial for the state to provide further guidance on how this factor should be determined at a regional level. The Department of Housing and Community Development (HCD) should work with regional bodies to develop a statewide methodology for applying a social equity adjustment so that this is consistent across the state and does not vary at the regional level, or at a minimum, provide guidance with objective criteria that can be incorporated into regional allocations.

The City would also like to provide the following additional comments regarding RHNA Reform.

Methodology / Distribution

Including Planned Transit Routes in Transit Area Access Metrics

Access to current and planned transit is an important consideration in allocating the RHNA, as it allows for greater coordination between long-range transportation and housing planning and furthers the overall goal of reducing VMT. For that reason, the City advocates for continued utilization of planned transit routes, as identified in the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), for example in the definition of HQTA for purposes of defining transit access.

Infrastructure

During the July 6, 2022 input session, SCAG staff shared input received, recommending that the RHNA Allocation methodology consider aging infrastructure and the cost of development with the need to upgrade this infrastructure as part of determining each jurisdiction's housing need across the region. This issue is already adequately addressed by current RHNA methodology, which by nature promotes infill development and limits sprawl. Pursuant to Government Code (GC) 65584.04(d)(A), RHNA also currently considers lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

Further considerations for availability of existing infrastructure, outside of the considerations enumerated in GC 65584.04(d)(A) should not be a factor in RHNA Allocation methodology. Failure to provide for infrastructure, where feasible or otherwise not constrained, should not be a basis for denying housing obligations.

Credit for Exceedance of Prior RHNA Allocation

SCAG staff have also shared input received which recommends that jurisdictions should receive credit if housing production exceeded the prior cycle RHNA Allocation. Because improvements are made each cycle to ensure that the RHNA Allocation adequately meets existing and projected housing needs, it is not appropriate to grant a credit for prior cycle performance in determining

the RHNA Allocation for a jurisdiction. Housing production - including production that exceeds the identified RHNA - should already be reflected in the existing RHNA Allocation process in that it should reduce the existing need factor for subsequent cycles. Applying a credit would effectively allow jurisdictions to "double count" this housing performance in determining housing need.

Coordination with RTP/SCS

SCAG should continue efforts to provide better alignment between the RTP/SCS and RHNA. In particular, it would be beneficial for SCAG to provide a more detailed description demonstrating how the RHNA Allocations are accounted for in the RTP/SCS forecasts, and in particular how the existing need factor is reflected in the RTP/SCS. Better coordination is critical for advance planning efforts, as well as for the analysis required under the California Environmental Quality Act (CEQA). In particular, incorporating the RHNA into the RTP/SCS environmental documents may allow jurisdictions to tier off the RTP/SCS Environmental Impact Report (EIR), reducing the need for local jurisdictions to prepare standalone environmental documents for future Housing Elements and other local planning efforts, and would facilitate use of Sustainable Communities Environmental Assessments (SCEAs) for housing development projects.

Appeals

The City supports continued use of the existing RHNA appeals framework, which has a high threshold for granting an appeal to a jurisdiction. It is critical that RHNA Allocations are conducted in a rigorous, data-driven process based on methodology that is in alignment with overall priorities, and not adjusted on an ad-hoc basis. Any weakening of the RHNA appeals framework could result in inconsistent application of the RHNA Allocation process.

Other Topics

Allocation Process and Trade/Transfer of RHNA

RHNA Allocations should continue to be made by SCAG to all jurisdictions within the SCAG region, based on a methodology that reflects growth priorities and equity. The current process is a data-driven allocation based on household growth, job accessibility, transit accessibility, and social equity factors, which ensures that these priorities are met across the region. Allowing subregional delegations or COGs to allocate the RHNA to individual jurisdictions would not result in allocations that are consistent with these priorities and could result in different application and interpretation of the methodology across the region. It may also result in unintended consequences such as reinforcing patterns of segregation and increasing the number of concentrated areas of affluence in the SCAG region, going against the intent of AB 686.

For these same reasons, jurisdictions should not be permitted to trade or transfer RHNA Allocations at any income level.

Timing of Final RHNA Allocation

Many jurisdictions in the SCAG region had difficulty meeting statutory deadlines for adoption of their sixth cycle Housing Elements. This challenge was in part due to the many significant new requirements, as well as the date when Final RHNA Allocations were issued. Given the robust public outreach and engagement that is critical to the Housing Element process, it would be beneficial if there were more time between issuance of the Final RHNA Allocation and the statutory deadline for Housing Element adoption. It may be beneficial to amend the statute regarding the deadline for the Final RHNA Allocations, to provide more of a buffer for planning and outreach efforts.

Conclusion

The City of Los Angeles appreciates this opportunity to provide input on the RHNA process and on RHNA Reform. It is critical that any future updates or reforms do not unravel many of the recent strong improvements that have been made to RHNA; but rather continue to prioritize equity at the center of the RHNA and Housing Element process. Should there be any questions regarding the comments provided in this letter, please contact Cally Hardy at City Planning at cally.hardy@lacity.org or Maya Abood at the Housing Department at maya.abood@lacity.org.

Sincerely,

VINCENT P. BERTONI, AICP
Director of Planning
Los Angeles City Planning

ANN SEWILL
General Manager
Los Angeles Housing Department

Attachment 1 - November 5, 2019 City of Los Angeles Comment Letter on Draft RHNA Allocation
Methodology

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November 5, 2019

Kome Ajise, Executive Director
Southern California Association of Governments
Attn. SCAG Regional Council
900 Wilshire Blvd. Ste. 1700
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Subject: City of Los Angeles Comments on Draft Regional Housing Needs Assessment (RHNA) Allocation Methodology

Dear Executive Director Ajise:

On November 5, 2019, the Los Angeles City Council adopted a Resolution (Attachment A) to oppose the draft Regional Housing Needs Assessment (RHNA) Allocation Methodology proposed by SCAG, unless amended to address the following revisions:

1. Remove the household growth factor from the existing need component.
2. Revise the jobs accessibility metric to explicitly promote housing in jurisdictions with a severe jobs/housing imbalance and incorporate a measure of low-wage jobs and affordable housing.
3. Define transit access according to the total acreage or land area that is located within half a mile of a high quality transit stop.
4. Revise the social equity adjustment to redistribute RHNA allocations across different jurisdictions rather than within them.

The City Council additionally authorized the Department of City Planning to submit the following comments to SCAG on behalf of the City of Los Angeles. These comments are intended to provide additional detail on the revisions described above.

CITY OF LOS ANGELES COMMENTS ON SCAG RHNA ALLOCATION METHODOLOGY

Concerns with the draft RHNA Allocation Methodology
The City of Los Angeles has identified several key concerns with SCAG's proposed RHNA Allocation Methodology, summarized below. Additional technical information relating to these concerns is provided in Attachment B.

1. **Household Growth Factor Used to Determine Existing Need.** As discussed in detail in Attachment B, the draft methodology relies too heavily on the household growth factor, which is based primarily on factors such as current zoning and past growth rates. This results in growth being allocated in a way that exacerbates regional inequalities, promotes higher rates of housing production in areas further from available jobs and transit, and assigns lower numbers to areas that have largely excluded multifamily housing from their jurisdictions for years. As a result, the draft methodology does not ensure that neighboring jobs- and transit-rich cities produce their fair share of housing.

2. **Jobs Accessibility Factor does not Adequately Address Jobs/Housing Mismatch**. The current SCAG draft methodology incorporates job access based on each jurisdiction's share of jobs accessible within a 30-minute drive commute, weighted to the jurisdiction's 2045 population size. As detailed in Attachment B, this formulation perpetuates a mismatch between jobs and housing within jurisdictions and, as a result, will result in increased vehicle miles traveled (VMT) and exacerbate fair housing concerns. Instead the RHNA Allocation Methodology should promote a better regional jobs/housing relationship and include factors related to the location of low wage jobs and affordable housing.

3. **Transit Access Factor Weights Allocation Away From Jurisdictions that Have Failed to Accommodate Growth near High Quality Transit.** The proposed SCAG methodology defines transit access as the percentage of the total population living within a high quality transit area. As detailed in Attachment B, this definition of transit access does little to rectify the primary concern relating to jurisdictions that have high transit access but low population. Weighting the transit factor to current population "rewards" cities that have kept population away from regional transit stops and corridors.

4. **Social Equity Adjustment Inadequately Addresses Regional Inequities.** The existing social equity adjustment in the draft methodology redistributes the RHNA within a jurisdiction by adjusting the jurisdiction's allocation among each income category. This adjustment does not adequately address inequities within the SCAG Region.

Proposed Changes to the Draft RHNA Allocation Methodology
The City of Los Angeles has identified four suggested revisions to the proposed Allocation Methodology, including recommendations to delete the Household Growth factor from the existing need component of the methodology and to revise the Job Accessibility, Transit, and Social Equity factors to better address the concerns described above. Below is a summary of the recommendations. The technical basis for these recommended changes to the methodology is described in Attachment B.

1. **The Existing Need Component of the Methodology Should Not Include a Household Growth Factor.** The existing need factor (accounting for more than 800,000 units) should focus on areas that have had high demand but failed to produce adequate housing. Retaining the need factor would continue to exacerbate the problem further by basing half of the calculation on a flawed factor. Removing the household growth factor from the *existing need* component would amplify the jobs and transit factors, support compliance with State law, and result in more actual housing production in the region, which should be the overarching goal.

2. **Modify The Job Accessibility Factor to Focus on Low Wage Workers and Jobs/Housing Balance.** The methodology should incorporate a better way to explicitly promote housing in jurisdictions with a severe jobs/housing imbalance and incorporate a

measure of low wage jobs and affordable housing in compliance with State law and to advance shared regional objectives.

3. **Transit Access.** Instead of defining "transit access" as the percentage of a jurisdiction's total population living within a high quality transit area (HQTA), the methodology should instead define transit access according to the total acreage or land area that is located within half a mile of a high quality transit stop.

4. **Social Equity and Affirmatively Furthering Fair Housing.** The social equity adjustment in the RHNA Methodology should redistribute RHNA allocations across different jurisdictions rather than within them. This redistribution could be incorporated into the methodology in a variety of ways. For example, in addition to reallocating the residual need away from areas with 50% of the population in disadvantaged areas (as is currently proposed), the calculation should proactively allocate the residuals to areas designated as "high" or "very high resource" as defined by the California Tax Credit Allocation Committee (TCAC).

It is critical that the final RHNA Allocation Methodology furthers the objectives of affirmatively furthering fair housing, reducing greenhouse gas emissions, and equitably allocating growth across the region. The City of Los Angeles believes that the suggested revisions to the proposed methodology will help to achieve these objectives.

Sincerely,
VINCENT P. BERTONI, AICP
Director of Planning

KEVIN J. KELLER, AICP
Executive Officer

VPB:KJK:AV:MG:ch

Enclosures
Attachment A: Resolution
Attachment B: Technical Basis for Proposed Changes to RHNA Allocation Methodology

c: California Department of Housing & Community Development
Los Angeles Mayor Eric Garcetti
Honorable Gilbert Cedillo, Council District 1
Honorable Paul Krekorian, Council District 2
Honorable Bob Blumenfield, Council District 3
Honorable David E. Ryu, Council District 4
Honorable Paul Koretz, Council District 5
Honorable Nury Martinez, Council District 6
Honorable Monica Rodriguez, Council District 7
Honorable Marqueece Harris-Dawson, Council District 8

Honorable Curran D. Price, Jr., Council District 9
Honorable Herb J. Wesson, Jr., Council District 10
Honorable Mike Bonin, Council District 11
Honorable John Lee, Council District 12
Honorable Mitch O'Farrell, Council District 13
Honorable Jose Huizar, Council District 14
Honorable Joe Buscaino, Council District 15
Sharon M. Tso, Chief Legislative Analyst, City of Los Angeles
Rushmore Cervantes, General Manager, Los Angeles Housing and Community Investment Department

ATTACHMENT A

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies, proposed to or pending before a local, State or federal government body or agency, must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the draft Regional Housing Needs Assessment (RHNA) Allocation Methodology (Allocation Methodology) proposed by the Southern California Association of Governments (SCAG) will have lasting impacts for the City of Los Angeles and every other jurisdiction in the region and it is thus critical that the methodology adheres to State law and meets the objectives of affirmatively furthering fair housing, reducing greenhouse gas emissions, and equitably allocating growth across the region; and

WHEREAS, the Allocation Methodology relies, in large part, on inputs from the growth forecast SCAG prepared for their draft Connect SoCal 2020 Regional Transportation Plan / Sustainable Communities Strategy for the majority of variables in the "Existing Need" segment of the allocation calculation, thereby allowing cities to provide data based on historical patterns of development to further reduce their housing growth forecasts and therefore lower their RHNA allocations, which violates the State requirement that municipalities cannot use prior underproduction of housing or stable populations to justify a smaller allocation; and

WHEREAS, State law requires that the Allocation Methodology address the existing and projected jobs/housing relationship, with particular emphasis on the interregional relationship between jobs and housing for low-wage workers, but the current definition of job accessibility used by SCAG refers only to single-occupancy vehicle (SOV) commute times and fails to distinguish between the types of housing and types of jobs provided by different jurisdictions; and

WHEREAS, SCAG assigns 25 percent of the larger component of the current Allocation Methodology ("existing need") to a jurisdiction's population living within a high quality transit area (HQTA), and using population rather than land area to define "transit accessibility" explicitly violates State law which prohibits the inclusion of factors based on jurisdictions' prior underproduction of housing, in addition to over-allocating to proactive jurisdictions like the City of Los Angeles while allowing transit rich jurisdictions that have refused to upzone the ability to perpetuate underdevelopment; and

WHEREAS, the Allocation Methodology adjusts for social equity to affirmatively further fair housing by adjusting the RHNA allocation within a jurisdiction, using a calculation that is largely based on local growth forecasts, and thus does not address the regional inequalities across jurisdictions and may promote displacement in lower income areas; and

WHEREAS, these deficiencies in the Allocation Methodology must be addressed to meet the requirements of State law; and

WHEREAS, Council instructed the Housing and Community Investment Department (HCID), Department of City Planning (DCP), and Chief Legislative Analyst (CLA) (collectively "Departments") to evaluate the Allocation Methodology and report back with any findings of importance; and

WHEREAS, the Departments propose to submit the following comments to the draft RHNA Allocation Methodology on behalf of the City to SCAG:

- Remove the household growth factor from the existing need component.

- Revise the jobs accessibility metric to explicitly promote housing in jurisdictions with a severe jobs/housing imbalance and incorporate a measure of low-wage jobs and affordable housing.
- Define transit access according to the total acreage or land area that is located within half a mile of a high quality transit stop.
- Revise the social equity adjustment to redistribute RHNA allocations across different jurisdictions rather than within them.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2019-20 State Legislative Program OPPOSITION to the draft Regional Housing Needs Assessment (RHNA) Allocation Methodology proposed by SCAG UNLESS AMENDED to incorporate the revisions described above and AUTHORIZE DCP to submit to SCAG as the City of Los Angeles' comments.

Technical Basis for Proposed Changes to Draft RHNA Allocation Methodology

Forecasted Household Growth

The current 6th RHNA cycle is the first time SCAG is required to consider existing housing need, in addition to projected need, in the RHNA allocation and methodology. The new requirement, enacted through SB 828 in 2018, is intended to recognize that the RHNA process must address the historic housing deficit that has accumulated across much of California to ensure adequate and affordable housing is available for all income groups.

The current proposed RHNA Allocation Methodology relies, in large part (about two-thirds), on inputs from the growth forecast SCAG prepared for the 2020 Regional Transportation Plan / Sustainable Communities Strategy (2020 RTP/SCS, or Connect SoCal). This factor formed the basis of past SCAG RHNA cycle. Prior methodologies directed the majority of the region's growth to areas further from jobs and transit (contributing to higher average vehicle miles traveled (VMT) in the region), and reinforced regional inequities stemming from land use decisions and provision of affordable housing.

The Connect SoCal process is a long-range regional plan that uses population projections and local input to balance planning priorities. The methodology used by SCAG to create the projected growth forecast models in Connect SoCal are complex. It appears that the forecasted growth is heavily adjusted according to limitations based on a local jurisdiction's current zoned capacity for housing. Cities that have lower zoned capacity for multi-family housing are therefore assigned lower growth forecasts (and vice-versa). Furthermore, cities are also able to provide local input to further reduce the housing growth forecasts and therefore lower the RHNA allocation for their jurisdictions.

Over reliance on a projected growth figure tied to existing zoning capacity also runs counter to RHNA goals that aim to support infill development, reduce VMT and greenhouse gas emissions, and protect sensitive environmental areas. The current methodology would allocate an estimated 1,600 units to Culver City, which is a growing transit and job rich community neighboring Los Angeles, whereas the similarly populated but remote City of Coachella in the Sonoran Desert, which lies in the immediate vicinity of the San Andreas Fault, would be allocated over 15,000 units. Using the local input factor to determine population growth will continue to push housing to exurb communities and result in increased commute times, greenhouse gas emissions, and social inequities.

State law (including SB 375) requires that the RHNA allocation methodology be compatible with the 2020 RTP/SCS growth forecast. The RHNA methodology must also meet the other five (5) RHNA statutory requirements identified above (see Background). By using inputs from the 2020 RTP/SCS throughout the methodology, the proposed methodology does not accurately account for existing need and exacerbates the challenges discussed above. Furthermore, SB 828 (2018) prevents municipalities from using the prior underproduction of housing or stable populations to justify a smaller allocation.

Generally speaking, it does make sense to ensure the compatibility of the two plans and work toward consistency amongst the 2020 RTP/SCS and RHNA. However, until the growth forecast methodology is revised, the reliance on these factors should be minimized. In particular, the household growth factor should not be used to determine existing need (Recommendation 1).

Job Accessibility

State law requires that the RHNA Allocation Methodology address the existing and projected jobs/housing relationship, particularly the number of low-wage jobs relative to the number of housing units within a jurisdiction that are affordable to low-wage workers. The current definition of job accessibility used by SCAG in the proposed allocation methodology (30 minute driving commute time) does not distinguish between the types of housing and types of jobs provided by different jurisdictions, and does not consider the types of jobs that may be accessible through other modes of transportation. Additionally, by not accounting for jurisdictional boundaries when defining "accessibility," this methodology ignores the roles and responsibilities of local jurisdictions in accommodating both employment and housing growth. Job development is often a result of local, jurisdictional-level zoning and economic policies, and employment and tax revenue from those industries is typically not shared across jurisdictions. Jobs rich jurisdictions should be expected to accommodate their fair share of housing and residential services. It is particularly important that job-rich jurisdictions accommodate housing for low-wage workers.

Transit Accessibility

As proposed in the draft methodology, SCAG defines transit accessibility as the population within a jurisdiction living within a High Quality Transit Area (HQTA). Using population rather than land area located within a HQTA to define "accessibility" appears to promote the inclusion of factors based on jurisdictions' prior underproduction of housing. Many affluent areas have been able to maintain lower density zoning in HQTAs, whereas many lower-income communities typically have provided for higher rates of multifamily housing production in these areas. The City of Los Angeles has addressed this disparity through programs such as the Transit Oriented Communities (TOC) Program, which allows for significantly higher density bonuses for residential developments near transit that provide a minimum amount of affordable units. In recent years, efforts such as the City's TOC Program have led to a dramatic increase in population living within an HQTA in the City of Los Angeles. Using a metric that relies on population size within an HQTA inequitably skews future growth towards proactive jurisdictions such as the City of Los Angeles, while actively reducing the number of housing units allocated to transit rich jurisdictions with lower density, zoning and population living near transit.

Social Equity Adjustment

As currently proposed, the SCAG methodology adjusts for social equity and affirmatively furthering fair housing by adjusting the RHNA allocation within a jurisdiction to accommodate either more above market or more low income housing. This approach redistributes a jurisdiction's total allocation across income categories, but does not make any adjustments to the overall allocation. Adjusting the RHNA within a jurisdiction rather than among does not affirmatively further fair housing. Because the majority of the calculation for the regional allocation is based on local growth forecasts (see discussion above), lower income communities typically receive higher overall RHNA numbers, whereas higher income and wealthy communities typically receive lower overall RHNA numbers. Simply allowing that larger allocation in lower income jurisdictions to be redistributed to the above market rate income category does not address regional inequalities across jurisdictions. In fact, this approach may increase displacement pressure in lower-income areas.

Redistributing RHNA across jurisdictions would result in the greatest social equity adjustment and more appropriately meet affirmatively furthering fair housing requirements. This redistribution could be incorporated into the methodology in a variety of ways. For example, in addition to reallocating the residual need away from areas with 50% of the population in disadvantaged areas (as is currently proposed), the calculation should proactively allocate the residuals to areas designated as "high" or "very high resource" as defined by the California Tax Credit Allocation Committee (TCAC).