

SOUTHERN CALIFORNIA



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GOVERNMENTS**

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## No. 2 MEETING OF THE

# REGIONAL HOUSING NEEDS ASSESSMENT & HOUSING ELEMENT REFORM SUBCOMMITTEE

*Thursday, January 23, 2014  
1:00 p.m. – 4:00 p.m.*

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

### Teleconference Available

**Department of Housing and Community Development  
2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833**

**2221 Rim Road  
Duarte, CA 91008**

### Videoconference Sites

**Imperial County Regional Office  
1405 North Imperial Avenue, Suite 1  
El Centro, CA 92243**

**Orange County Regional Office  
600 S. Main Street, Suite 912  
Orange, CA 92863**

Due to the limited size of the meeting room, participants are encouraged to reserve a seat in advance of the meeting. In the event the meeting room fills to capacity, participants may attend the meeting at the main location or any of the other video-conference locations.



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**City of Palmdale**  
**38250 Sierra Hwy.**  
**Palmdale, CA 93550**

**Riverside County Regional Office**  
**3403 10<sup>th</sup> Street, Suite 805**  
**Riverside, CA 92501**

**San Bernardino Regional Office**  
**1170 W. 3<sup>rd</sup> Street, Suite 140**  
**San Bernardino, CA 92410**

**Ventura County Regional Office**  
**950 County Square Drive, Suite 101**  
**Ventura, CA 93003**

**Cochella Valley Association of Governments**  
**73-710 Fred Waring Drive, Suite 200**  
**Palm Desert, CA 92260**

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

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Ma'Ayn Johnson at (213) 236-1975 or via email [johnson@scag.ca.gov](mailto:johnson@scag.ca.gov). In addition, the RHNA and Housing Element Reform Subcommittee meeting may be viewed live or on-demand at <http://www.scag.ca.gov/NewsAndMedia/Pages/SCAGTV.aspx>.

Agenda and Minutes for the Regional Housing Needs Assessment & Element Reform Subcommittee are also available at: <http://www.scag.ca.gov/committees/Pages/default.aspx>

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**Regional Housing Needs Assessment and  
Housing Element Reform Subcommittee  
Member List**

- San Bernardino County: Hon. Bill Jahn, Big Bear Lake, District 11 (Alternate), **Chair**  
Hon. Larry McCallon, Highland, District 7 (Primary)
- Los Angeles County: Hon. Margaret Finlay, Duarte, District 35 (Primary)  
Hon. Steven Hofbauer, Palmdale, District 43 (Alternate)
- Orange County: Hon. Ron Garcia, Brea, OCCOG (Primary)  
Hon. Kathryn McCullough, Lake Forest, OCCOG (Alternate)
- Riverside County: Hon. Randon Lane, Murrieta, WRCOG (Primary)  
Hon. Debbie Franklin, Banning, WRCOG (Alternate)
- Ventura County: Hon. Carl Morehouse, San Buenaventura, District 47 (Primary)  
Hon. Linda Parks, County of Ventura, (Alternate)
- Imperial County: Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)  
Hon. Jack Terrazas, Imperial County (Alternate)

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**REGIONAL HOUSING NEEDS ASSESSMENT AND  
HOUSING ELEMENT REFORM  
SUBCOMMITTEE  
AGENDA  
JANUARY 23, 2014**

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*The Regional Housing Needs Assessment and Housing Element Reform Subcommittee can consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.*

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

*(Hon. Bill Jahn, Chair)*

**PUBLIC COMMENT PERIOD** – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Regional Housing Needs Assessment and Housing Element Reform Subcommittee, must fill out and present a speaker’s card to the Assistant prior to speaking. Comments will be limited to three (3) minutes. The Chair may limit the total time for all comments.

**REVIEW AND PRIORITIZE AGENDA ITEMS**

**CONSENT CALENDAR**

**Time      Page No.**

**Receive and File**

- |  |            |   |
|--|------------|---|
| 1. <u>Minutes of the October 23, 2013 RHNA Housing Element Reform Subcommittee Meeting</u> | Attachment | 1 |
|--|------------|---|

**INFORMATION ITEMS**

- |   |            |         |    |
|---|------------|---------|----|
| 2. <u>Updated Regional Housing Needs Assessment (RHNA) and Housing Element Reform Subcommittee Topic Outlook</u><br><i>(Ma’Ayn Johnson, Senior Regional Planner)</i>  | Attachment | 45 min. | 5  |
| 3. <u>RHNA and Housing Element Reform Status Update from the California Department of Housing and Community Development (HCD)</u><br><i>(Huasha Liu, Director of Land Use &amp; Environmental Planning; Glen Campora, Assistant Deputy Director, HCD)</i> | Attachment | 45 min. | 23 |

**ACTION ITEMS**

- |  |            |         |    |
|--|------------|---------|----|
| 4. <u>Issues and Recommendations Relating to RHNA and Housing Element Reform</u><br><i>(Huasha Liu, Director of Land Use &amp; Environmental Planning)</i> | Attachment | 50 min. | 28 |
|--|------------|---------|----|

**Recommended Action: Review and recommend actions**

**REGIONAL HOUSING NEEDS ASSESSMENT AND  
HOUSING ELEMENT REFORM  
SUBCOMMITTEE  
AGENDA  
JANUARY 23, 2014**

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regarding RHNA and housing element reform including  
HCD administrative updates and legislative technical  
amendment.

**CHAIR'S REPORT**

*(Hon. Bill Jahn, Chair)*

**STAFF REPORT**

*(Ma'Ayn Johnson, SCAG Staff)*

**ANNOUNCEMENTS**

**ADDITIONAL PUBLIC COMMENT PERIOD**

**ADJOURNMENT**

*The next regular meeting of the Regional Housing Needs Assessment and Housing Element Reform Subcommittee will be determined at the January 23, 2014 meeting.*



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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGIONAL HOUSING NEEDS  
ASSESSMENT AND HOUSING ELEMENT REFORM SUBCOMMITTEE, MEETING NO. 1

WEDNESDAY, OCTOBER 23, 2013

*MINUTES*

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**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL HOUSING NEEDS ASSESSMENT AND HOUSING ELEMENT REFORM SUBCOMMITTEE. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

A meeting of the Regional Housing Needs Assessment & Housing Element Reform Subcommittee was held at SCAG's office in downtown Los Angeles. The meeting was called to order by the Hon. Bill Jahn, Chair. There was quorum.

**Members Present:**

Hon. Bill Jahn ( <i>Chair</i> )	San Bernardino County, Big Bear Lake, District 11 (Alternate)
Hon. Margaret Finlay	Los Angeles County, Duarte, District 35 (Primary)
Hon. Ron Garcia	Orange County, Brea, OCCOG (Primary)
Hon. Randon Lane	Riverside County, Murrieta, WRCOG (Primary)
Hon. Debbie Franklin	Riverside County, Banning, WRCOG (Alternate)
Hon. Linda Parks	Ventura County, County of Ventura (Alternate)
Hon. Carl Morehouse	Ventura County, San Buenaventura, District 47 (Primary)
Hon. Cheryl Viegas-Walker	Imperial County, El Centro, District 1 (Primary)

**Members Not Present:**

Hon. Steven Hofbauer	Palmdale, District 43 (Alternate)
Hon. Kathryn McCullough	Orange County, Lake Forrest, OCCOG (Alternate)
Hon. Larry McCallon	San Bernardino County, Highland, District 7 (Primary)
Hon. Jack Terrazas	Imperial County (Alternate)

**CALL TO ORDER**

Chair Hon. Bill Jahn, San Bernardino County, called the meeting to order at 2:10 p.m.

**PUBLIC COMMENT PERIOD**

Genevieve Sharrow, resident of Pasadena, commented that the RHNA/Housing Element Reform should consider discussing HCD interpretation of transitional/supportive housing; Section of SB2 and preempting of local land use regulations.

**CONSENT CALENDAR**

**Receive and File**

**CONSENT CALENDAR**

1. Transmittal of Housing Element and Regional Housing Needs Assessment Statutes

A MOTION was made (Finlay) and seconded (Morehouse) to receive and file the statutes related to housing elements and RHNA. A roll call vote was taken and the motion was UNANIMOUSLY APPROVED.

**INFORMATION ITEMS**

2. 5<sup>th</sup> Regional Housing Needs Assessment Cycle Process

Ma’Ayn Johnson, SCAG Staff, provided an overview of the 5<sup>th</sup> Cycle RHNA process. Ms. Johnson stated that the 5<sup>th</sup> cycle housing elements were required by state law to be adopted by October 15, 2013. Jurisdictions were required to show, through their site zoning analysis, where their RHNA allocation would occur. If jurisdictions do not adopt their housing element by February 2014, the jurisdiction would then be required to go to a four-year housing element instead of an eight-year housing element.

**ACTION ITEMS**

3. Proposed Regional Housing Needs Assessment & Housing Element Reform Subcommittee Charter

Joann Africa, SCAG Chief Counsel, stated that staff had prepared a charter that guides the purpose and scope of the RHNA Reform Subcommittee. The subcommittee is to review and provide guidance to issues that were raised during the 5<sup>th</sup> cycle process.

A MOTION was made (Lane) and seconded (Finlay) to recommend that the Community Economic and Human Development (CEHD) Committee recommend approval of the RHNA and Housing Element Reform Subcommittee Charter by the Regional Council with the inclusion of an additional sentence (bullet point) under the responsibilities with the following language: as part of the written recommendations by the Subcommittee, the issues shall be prioritized and shall be separated to address administrative and legislative changes. A roll call vote was taken and the motion was UNAMIOUSLY APPROVED.

4. Regional Housing Needs Assessment and Housing Element Reform Subcommittee Topic Outlook

Huasha Liu, SCAG Director, Land Use and Environmental Planning, stated that staff had prepared a matrix that took all the concerns received regarding the RHNA process and requirement and broke the topics down into three (3) categories: SCAG process refinement, HCD administrative changes (including legislative technical amendments), and legislative changes. In the near term, an attempt will be made to address the items primarily under the first two categories.

Ms. Liu introduced Mr. Glen Campora, Assistant Deputy Director, California Department of Housing and Community Development (HCD). Mr. Campora briefed the subcommittee on HCD’s initial feedback on the concerns listed in the HCD Administrative Change Category of the topic matrix.

Ms. Liu and SCAG staff further presented and initiated Subcommittee discussion on the topics included on the matrix.

In response to requests made during the meeting to add additional concerns and to clarify items on the matrix, SCAG requested input by November 15, 2013.

A MOTION was made (Lane) and seconded (Garcia) to approve the topics to be discussed as amended by today's discussion of the Subcommittee and to accept additional topics for discussion by November 15, 2013 from member jurisdictions and stakeholders. A roll call vote was taken and the motion was UNANIMOUSLY APPROVED.

**CHAIR'S REPORT**

No report.

**ADJOURNMENT**

The meeting adjourned at 4:06 p.m. The next meeting of the RHNA & Housing Element Reform Subcommittee is to be determined. The meeting will be held at the SCAG Los Angeles office.



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Huasha Liu  
Director, Land Use and Environmental Planning

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# REPORT

**DATE:** January 23, 2013

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

**FROM:** Ma’Ayn Johnson, Senior Regional Planner, 213-236-1975, Johnson@scag.ca.gov

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

## **EXECUTIVE DIRECTOR’S APPROVAL:**

### **RECOMMENDED ACTION:**

For Information Only. No action required.

### **EXECUTIVE SUMMARY:**

*During the 5<sup>th</sup> Cycle RHNA process, a number of issues were raised pertaining to the RHNA process and the development and review of local housing elements. Depending on the issue and scope of discussion, reform to address these issues can potentially be addressed by one of three ways: (1) SCAG process refinement; (2) California Department of Housing and Community Development (HCD) administrative changes; or (3) legislative changes. The Subcommittee meeting outlook is arranged by topic in order to facilitate an effective discussion among Subcommittee members. SCAG staff has updated the topic matrix presented at the October 23, 2013 Subcommittee meeting to include additional topics and comments received from stakeholders as of November 15, 2013, based on the direction of the Subcommittee at the October meeting.*

### **STRATEGIC PLAN:**

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

### **BACKGROUND:**

A matrix of topics was included as part of the Subcommittee’s agenda at its October 23, 2013 meeting. The Subcommittee directed interested stakeholders to submit any additional comments, clarification, or topics for the matrix to SCAG staff by November 15, 2013. A total of seven stakeholders submitted additional clarification and topics for the matrix. The submitted comments and topics, along with comments and clarifications received at the October 23 Subcommittee meeting from the Subcommittee and stakeholders, are incorporated into the updated matrix (Attachment #2). Based on input received, some matrix cells have been combined. SCAG staff has also revised the Subcommittee topic outlook to reflect the updates (Attachment #1).

Additional topics submitted by stakeholders include:

- Addressing RHNA methodology (A11, A12, C8)
- Incorporating inclusionary zoning ordinances (B9)
- Accommodation of mixed-use zoning in RHNA allocations (B10)
- Transitional and supportive housing (B11)
- CEQA exemption for affordable housing infill projects (C7)
- Geographical definitions of suburban areas for default density purposes (C5)
- Funding for building low income housing with affordable housing covenants (D2)

SCAG staff will inform the respective stakeholders who submitted these additional topics as to when they will be reviewed by the Subcommittee so that they may participate in the discussion.

**FISCAL IMPACT:**

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

**ATTACHMENTS:**

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

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

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

- Subcommittee charter
- Topic outlook

**Meeting 2 (Date: January 23, 2013):** SCAG-related administrative issues pertaining to the RHNA process; RHNA regional determination process

- Teleconferencing (A5)
- Communication with planning directors (A10)
- Funding for RHNA delegation (A3)
- Growth on Tribal lands (B3)
- Margin between SCAG and Department of Finance projections (B4)

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

- Preliminary draft of RHNA allocation (A7)
- Local input on growth forecast (A1, A8, B9)
- Facilitation of trade and transfers (A2)
- Consideration of general plan development and implementation (B5)
- RHNA Methodology Issues (A11, A12, C8)

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

- Neutral third party hearing board (A4)
- Sample template of appeals (A9)
- Posting to SCAG staff responses to filed revision requests and appeals (A6)
- Revision request and appeals processes timeline (C1)
- Definition of change in circumstances (B6)

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

- Smaller city exceptions (C4)
- Credit for inclusionary zoning (B9)
- Default density ranges and mixed use designations (B1, B10, C5)
- Transitional and Supportive Housing Requirements (B11)
- Existing housing needs statistics preparation, usage, and review (B2)
- Housing element preparation and implementation timeline (B8, C2)
- Housing element compatibility with community design (C6)
- Funding for RHNA and housing element preparation (B7)
- Incentives for housing element compliance and affordable housing building activity (D1, D2)
- CEQA exemptions for housing elements (C7)

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



## ATTACHMENT 2

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

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

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

**A) SCAG Process Refinement**

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

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
A1	RHNA	Procedures to develop overarching principles regarding the local input process should be established. Some suggested reforms include a formula or method to manage local input. The process should be simplified as well. (SCAG Staff; Ojai; Sierra Madre; Calabasas, Oxnard; County of Ventura)	During the 5 <sup>th</sup> RHNA cycle, local input was accepted by SCAG and used as the basis to develop projected household growth.	Develop a procedure to establish overarching principles and guidelines on how to incorporate local input in the RHNA allocation methodology. The exact principles and guidelines, for example, how to incorporate local input and AB 2158 factors (including, but not limited to jobs-housing balance, proximity to transit, and open space), should be discussed during the 6 <sup>th</sup> cycle RHNA process by the appointed RHNA Subcommittee. Recommend to be revisited and implemented before 6 <sup>th</sup> cycle RHNA process beginning in 2018. For continual education for the Regional Council, SCAG will provide regular updates on the RHNA process in between cycles.
A2	RHNA	SCAG should encourage and facilitate “appropriate” trade and transfer. Make facilitation services available to jurisdictions that elect to conduct a Trade and Transfer process and provide a sample agreement template. (County of Ventura; Brea)	“Trade and transfer” is allowed by state housing law and SCAG has developed appropriate guidelines (see Trade and Transfer Guidelines).	SCAG staff will engage the Subcommittee on further discussion of this process and will continue to encourage and facilitate the trade and transfer process. SCAG staff is also open to development a sample agreement template for the 6 <sup>th</sup> cycle RHNA process.
A3	RHNA	Identify adequate funding sources for counties to distribute RHNA numbers internally rather than rely on SCAG to conduct that process. (County of Ventura)	Funding sources were available during the RHNA process from the SCAG General Fund to jurisdictions choosing to accept RHNA delegation.	Based on available resources and policy discussions of the Subcommittee and Regional Council, SCAG will continue to make funding available for jurisdictions that accept RHNA delegation.
A4	RHNA	A neutral third party should hear RHNA revision request and appeals. (Ojai; Calabasas)	Revision requests and appeals were reviewed and decided by the RHNA Subcommittee/RHNA Appeals Board,	The pros and cons with each approach will be described in a staff report to the Subcommittee for discussion. Recommend to be revisited and

			which was comprised of SCAG Regional Council and Policy Committee members.	implemented during 6 <sup>th</sup> cycle RHNA process beginning in 2018.
A5	RHNA	Utilize teleconference technology to allow for participation from all counties in SCAG to allow for participation of non-Subcommittee members. (County of Ventura)	The RHNA Subcommittee/Appeals Board charter did not make teleconferencing available to the general public for meetings. Videoconferencing was available for most meetings.	There are pros and cons with each approach as well as Brown Act and technology limitations and costs, and will be described in a staff report to the Subcommittee. Recommend to be revisited and implemented during 6 <sup>th</sup> cycle RHNA process beginning in 2018.
A6	RHNA	Distribute staff responses to a revision request or appeal at least one week prior to the hearing so that adequate time is available to review staff comments. (County of Ventura)	Staff responses to revision requests and appeals were provided prior to the public hearings pursuant to Brown Act (i.e., at least 72 hours prior to hearing).	Staff will continue to meet the legal requirements for public review and will also provide as much additional time as possible accounting for number of responses and staff resources. This applies to both the revision request and appeals processes.
A7	RHNA	Identify a preliminary draft RHNA distribution earlier in the process, and provide a formal comment and response system to ensure potential issues with a proposed RHNA distribution are identified and resolved early in the process. (County of Ventura)	The opportunity to provide input to the growth projections was made available to all jurisdictions prior to the distribution of the Draft RHNA. Comments provided to staff were responded to and logged in an internal system.	SCAG staff has provided such preliminary information timely to all jurisdictions in the SCAG region. SCAG will continue to do so for the 6 <sup>th</sup> cycle RHNA process and encourages the participation of all jurisdictions.
A8	RHNA	Prior to the next RHNA process, assign technical staff to work with local jurisdictions to develop accurate land use data maps and forecasting models. When necessary, arrange a meeting between local agencies and SCAG managers to resolve issues. (County of Ventura)	SCAG forecast and data staff surveyed local input from all jurisdictions and met with individual jurisdictions on projected household growth and to gather information on local land use. SCAG staff conducted further outreach to jurisdictions that did not provide an initial response to surveys. The iterative process was conducted over the course of two years.	SCAG staff conducted extensive outreach with all jurisdictions and met with them to survey for local input not only for the purpose of development accurate land use maps but also to resolve potential challenges. SCAG will continue to do so for the 6 <sup>th</sup> cycle RHNA process and encourages the participation of all jurisdictions.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
A9	RHNA	Provide a template for submittals and/or examples of submittals that meet SCAG expectations. (County of Ventura)	Although general guidelines were available, specific templates or examples were not published for the revision request or appeals processes. An appeal application that resulted in a granted appeal was provided to a jurisdiction on request.	SCAG staff will provide a sample packet as a guideline for revisions requests and appeals and will provide examples of past applications that resulted in a granted appeal during the preparation of the 6 <sup>th</sup> cycle RHNA.
A10	RHNA	Direct communications to the Planning Department (or equivalent) or more specifically to the Planning Director or assigned point-of-contact for the RHNA process. (County of Ventura)	Public notices and other mass correspondence were provided via email or mail to Planning Directors, in addition to City Managers/County Administrators and other stakeholders.	SCAG has and will continue to address public notices and other mass correspondence via email or mail to Planning Directors, in addition to City Managers/County Administrators and other stakeholders.
A11	RHNA	Remove the “110% adjustment” component of the RHNA methodology, which will eventually result in a result in a realignment of affordable housing concentrations across the SCAG region and fails to comport with real estate market realities. (Calabasas)	Government Code Section 65584 (d)(4) states that the objectives of the RHNA is to allocate a lower proportion of housing need by income category to disproportionately affected communities, but does not specify a particular methodology to address the issue. The 110% adjustment toward the county distribution was adopted by the SCAG Regional Council as part of both the 4 <sup>th</sup> and 5 <sup>th</sup> cycle methodologies to address the state law requiring the allocation of a lower proportion of housing need by income category to disproportionately affected communities. For jurisdictions with a high concentration of low income households, a 110% adjustment toward the county distribution would result in a lower percentage of low income households compared to the county	Because the RHNA process allows for a COG to develop and adopt its own methodology to address disproportionately affected jurisdictions, staff recommends that this issue be revisited during the development of the 6 <sup>th</sup> RHNA cycle beginning in 2018. An overall approach should be folded into the future discussion of overarching principles for the 6 <sup>th</sup> cycle RHNA Plan. SCAG can survey adjustment methodologies from other COGs during the development of the 6 <sup>th</sup> RHNA cycle methodology to further inform the discussion.

			percentage. For jurisdictions with a low concentration of low income households, a 110% adjustment would result in a higher percentage of low income households compared to the county percentage.	
A12	RHNA	Ensure accuracy of the vacancy credit application. (Calabasas; Colton)	HCD granted a vacancy credit adjustment to its regional housing need determination to address the economic downturn. SCAG applied a vacancy credit to a number of jurisdictions based on its adopted 5 <sup>th</sup> cycle RHNA methodology and data from the 2010 U.S. Census.	SCAG staff recommends that this issue be revisited during the development of the 6 <sup>th</sup> RHNA cycle beginning in 2018 if the credit is granted by HCD again for the 6 <sup>th</sup> RHNA cycle. Any particular vacancy credit is dependent on market conditions at the time.

**B) HCD Administrative Changes**

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

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD
B1	Housing Element	There should be a range of default densities established for jurisdictions to determine appropriate densities for affordable housing units. Circumstances such as mixed use projects should be considered. (Ontario; Ojai; Brea)	A jurisdiction can choose to use a default density instead of preparing its own analysis to determine unit affordability. Most jurisdictions in the SCAG region have a default density of 30 units per acre. Jurisdictions with less than 25,000 population or defined as “suburban” in state housing law have a default density of 20 units per acre.	<p>SCAG staff recommends that HCD consider a range for default density rather than a single number, which will provide flexibility for local jurisdictions.</p> <p>Staff also recommends working with HCD to establish a separate default density range for mixed-use projects.</p> <p>HCD Response: HCD is generally supportive but clarified that jurisdictions are not required to use the default density in housing elements and can instead provide an analysis of affordability. Potential change regarding optional default density would require legislative change.</p>

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD
B2	Housing Element	HCD should formalize the streamlining review policy that was applied during the 5 <sup>th</sup> cycle regarding existing housing needs data. The streamline review allowed for local jurisdictions to meet the existing housing needs data requirement in its housing element if they used data provided by the COG which was based on the existing housing needs data listing as described in state housing law and pre-approved by HCD. (SCAG staff)	As part of the streamlining review process for the 5 <sup>th</sup> housing element cycle, HCD pre-approved the use of SCAG’s existing housing need data set, which meets existing housing need data requirements in the preparation of local housing element updates. SCAG voluntarily made this data available on-line for local jurisdictions in a user friendly and interactive format.	<p>HCD should consider formalizing the streamlining review policy for existing housing needs data used in the 5<sup>th</sup> cycle that allowed COGs such as SCAG to develop pre-approved data sets for use by jurisdictions in developing their local housing element update.</p> <p>HCD response: HCD is in support of providing more efficient element update and review methods. Stakeholder input will be sought in formalizing policy. Housing advocates have expressed some concerns with streamline reviews and shorter timeframes to comment to jurisdiction and HCD. More time is needed for HCD and stakeholders to evaluate streamline results and jurisdiction element implementation and compliance issues. Some discussions may get underway around mid-2014.</p>
B3	RHNA	Projected growth from Tribal lands should be excluded from jurisdictional RHNA allocation. (Coachella Valley Association of Governments)	The 4 <sup>th</sup> RHNA cycle regional allocation included growth on Indian Tribal lands; the 5 <sup>th</sup> RHNA cycle regional allocation excluded growth on Tribal lands, per determination by HCD.	<p>Tribal lands are sovereign nations and jurisdictions do not have land use authority over Tribal lands. Accommodation or exclusion of future housing need generated by Tribal lands is not currently specified in state housing law and is subject to HCD determination. A formal HCD policy specifying exclusion of projected growth on Tribal Lands is recommended.</p> <p>HCD response: HCD agreed with the assessment that Tribal lands are sovereign nations and that jurisdictions do not have land use authority over those lands. HCD expressed general agreement with the staff recommendation..</p>

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD
B4	RHNA	The 3% allowable difference between the DOF and COG population projection during the HCD and COG consultation process should be applied to the total population rather than the growth. (SCAG staff)	State housing law does not define whether the 3% allowable difference between the COG regional projection forecast and DOF projection applies to growth or total.	<p>SCAG staff continues to apply the 3% allowable difference to the total population rather than to the growth.</p> <p>HCD response: HCD agreed with SCAG staff assessment that a single threshold would be adequate and noted that a technical amendment could potentially be included in 2014 legislation.</p>
B5	RHNA	General Plan updates in progress should be considered during the local input process to SCAG as well as in the final RHNA determination. (Oxnard)	SCAG continued to accept local input from jurisdictions on projected household growth until the adoption of the final RHNA Methodology. The 5 <sup>th</sup> cycle RHNA Methodology was adopted 11 months prior to the adoption of the Final RHNA allocation Plan.	A jurisdiction can coordinate a general plan update with the local input process for developing the SCAG RHNA projections, but the RHNA process must have a determined cutoff date for local input in order to consistently apply the final RHNA Methodology to the draft RHNA allocation for all jurisdictions. SCAG staff will facilitate a discussion by the Subcommittee regarding the timeline for submission of local data.
B6	RHNA	The term “change in circumstance” should be defined so as to better understand this as a basis for an appeal to the draft RHNA allocation. (SCAG staff)	State housing law does not provide a definition of what situation or challenge would qualify as a “change in circumstance.”	<p>SCAG staff proposes that affected jurisdictions work with COGs in a bottom-up process to develop proposed examples of the term “change in circumstance” and engage HCD in providing a clear definition and examples of the term.</p> <p>HCD response: HCD expressed interest in working with COGs and local jurisdictions in developing a survey to develop examples on what would constitute a change in circumstance and how housing demand could potentially be impacted.</p>



Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD
B7	Housing Element	There should be state funding for the development of RHNA and housing elements since they are statewide mandates for jurisdictions. (Oxnard)	No specific state funding is available for jurisdictions to update local housing elements.	State law provides that SCAG can set fees for the development of the RHNA. SCAG charges its non-member jurisdictions to develop RHNA, but does not charge member jurisdictions given that SCAG's work on RHNA development is funded primarily through the SCAG General Fund which is comprised largely of SCAG member dues. For housing element related costs, SCAG recommends that direct funding to jurisdictions from the state be discussed by the Subcommittee.
B8	Housing Element	The housing element zoning implementation timeframe is unrealistic and there should be a hardship process for more time with demonstrated progress. (Oxnard)	Zoning changes corresponding to housing element updates must be completed in a specific time frame, (generally three years after a housing element is adopted).	Staff will relay individual concerns regarding the zoning implementation timeframe to HCD.  HCD response: Changes regarding zoning implementation timeframes and extensions cannot be addressed administratively and would require legislative change.
B9	RHNA/Housing Element	Reflect the percentage requirements within an inclusionary ordinance as a credit to reduce the RHNA allocation for a jurisdiction or count them as units satisfying the RHNA, whether or not the units are built. (Brea; County of Ventura)	Currently SCAG does not apply a RHNA allocation credit to jurisdictions with inclusionary zoning ordinances. Jurisdictions may apply inclusionary zoning ordinances towards their RHNA allocation in their respective housing element by either an analysis of appropriate zoning or a site analyses for pending, approved, permitted or constructed development.	Jurisdictions may currently apply inclusionary zoning ordinances toward satisfying their RHNA need once a project is approved, permitted, or constructed. In regard to a RHNA allocation credit, the allocation represents planning for future housing need while an inclusionary zoning ordinance is a requirement on the construction of housing units. Applying the credit during the development of the RHNA allocation places a high level of uncertainty since the application of inclusionary zoning is linked to specified zoning, development, and construction.
B10	Housing Element	Parcels zoned as mixed-use should count toward accommodation of the RHNA allocation. (Calabasas)	Jurisdictions may count planned units designated in mixed-use areas toward their RHNA allocation provided that they provide an analysis of unit affordability for the appropriate income group.	SCAG will continue working with HCD to ensure that units designated in mixed-use areas can be counted in housing elements toward meeting a jurisdiction's RHNA allocation.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD
B11	Housing Element	<p>Currently during housing element review, transitional and supportive housing is treated as typical single-family or multi-family housing. Transitional and supportive housing should be treated under the same requirements as a residential care facility, group home, or boarding home, since transitional/supportive housing does not necessarily function in the same way as other traditional residential uses, for example when social services are being provided on-site(Consultant)</p>	<p>Government Code Section 65583(a)(5) requires that housing elements demonstrate that transitional housing and supportive housing are considered a residential use and subject to only those restrictions that apply to other residential dwellings of the same type in the same zone.</p>	<p>Transitional and supportive housing provide social and other services, often in institutional settings, similar to residential care facilities or boarding homes. Because they function differently from typical single- or multi-family housing units and often provide on-site social services, there may be justification for subjecting them to different requirements. SCAG staff will raise this topic with HCD.</p>

**C) Legislative Changes**

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

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

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
C5	Housing Element	Allow cities with a population of under 100,000 within the Counties of San Bernardino and Riverside to be considered “suburban” for purposes of default density. (Colton)	Cities with a population of less than 25,000 have lower default densities than larger cities. Most jurisdictions in the SCAG region have a default density of 30 units per acre. Jurisdictions with less than 25,000 population or defined as “suburban” in state housing law have a default density of 20 units per acre.	SCAG staff will facilitate a discussion with HCD for potential legislative change to specify a default density range when determining appropriate densities for accommodating low and very low income households.
C6	Housing Element	When reviewing the housing element of smaller jurisdictions, HCD should consider compatibility of the proposed zoning and planning with community design regarding building height, view protection, and development density unique to smaller jurisdictions. Affordable overlays and inclusionary programs should be the preference of HCD. (Ojai; Oxnard)	State housing law does not take into account housing compatibility in a housing element with community design regarding building height, view protection, and development intensity.	Legislative change would be necessary to specify a range of default densities for different types of uses and other considerations indicated in a housing element regarding compatibility with surrounding uses. A discussion could occur between HCD and the Subcommittee regarding community design in housing element review. HCD allows affordable housing overlays to be developed. State law requires analysis of all development standards for potential constraints to residential development regardless of density.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
C7	Housing Element	California Environmental Quality Act (CEQA) exemptions should be granted for infill projects that are designated to meet housing need in the housing element (San Clemente).	State law requires that projects not categorically exempt from CEQA must go through the CEQA review process. However, Senate Bill (SB) 226 (signed by the Governor October 2011) and SB 743 (September 2013) provide opportunities for CEQA exemption and streamlining. The purpose of SB 226 is to streamline the environmental review process for eligible infill projects, and is implemented through State CEQA Guideline Section 15183.3 (Streamlining for Infill Projects). SB 743 provides opportunities for CEQA exemption and streamlining for projects meeting certain criteria relating to specific plans, infill and transit-oriented development. The State Office of Planning and Research (OPR) is currently working on implementation of SB 743.	<p>Local jurisdictions can currently avail themselves of CEQA streamlining provisions set forth through SB 226 (CEQA Guideline Section 15183.3). See <a href="http://opr.ca.gov/s_sb226.php">http://opr.ca.gov/s_sb226.php</a></p> <p>Implementation of SB 743 by the State OPR is expected in 2014. For more information, see <a href="http://www.opr.ca.gov/s_transitorienteddevelopmentsb743.php">http://www.opr.ca.gov/s_transitorienteddevelopmentsb743.php</a></p> <p>SCAG staff has provided information on CEQA streamlining to our policy committees (of which the RHNA subcommittee are also members) and stakeholders, and will continue to do so as additional information becomes available.</p> <p>SCAG staff suggests that this topic continue to be discussed with SCAG committees and subcommittees as part of on-going CEQA modernization efforts.</p>
C8	RHNA	Clarify state housing law to specifically address how housing needs should be allocated to jurisdictions with a disproportionately high share of households in the low income categories (Colton)	Government Code Section 65584 (d)(4) states that the objectives of the RHNA is to allocate a lower proportion of housing need by income category to disproportionately affected communities, but does not specify a particular methodology to address the issue. The RHNA process allows a COG such as SCAG to adopt its own methodology,	Because SCAG can develop its own methodology to address disproportionately affected jurisdictions, staff recommends that this issue be revisited during the development of the 6 <sup>th</sup> RHNA cycle in 2018. (See also Item No. A11).

			including how to address disproportionately affected communities. For the 5 <sup>th</sup> RHNA cycle, SCAG applied a “110% adjustment” to address this issue.	
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**Local Sustainable Development and Looking Ahead**

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

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

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation
D1	Housing Element	Funding opportunities and other preferences should be available to jurisdictions with compliant housing elements. (Ojai)	Jurisdictions with compliant 4 <sup>th</sup> cycle housing elements have access to 5 <sup>th</sup> cycle streamlined review and are prioritized for various available grants and funding.	SCAG will coordinate with HCD in an effort to ensure that jurisdictions with compliant housing element will continue to receive streamlined review and funding opportunities as available.
D2	Housing Element	Provide funding opportunities for all new very low and low income units built with affordable housing covenants, similar to the Parks-related housing grants provided under Proposition 1A. (Brea)	HCD currently provides funding for parks-related programs to jurisdictions that build very low and income units. No grants are currently available relating to affordable housing covenants.	SCAG will encourage the State to develop and identify more funding opportunities for jurisdictions that build and preserve affordable housing.

# REPORT

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**DATE:** January 23, 2014

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

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

**SUBJECT:** RHNA and Housing Element Reform Status Update from the California Department of Housing and Community Development (HCD)

## **EXECUTIVE DIRECTOR'S APPROVAL:**

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### **RECOMMENDED ACTION:**

For Information Only. No action required.

### ***EXECUTIVE SUMMARY:***

*Glen Campora, Assistant Deputy Director at the California Department of Housing and Community Development (HCD), will provide a status update on the RHNA and housing element reform as discussed at the first Reform Subcommittee meeting on October 23, 2013. The reform topics include the RHNA regional determination process, exemption of tribal land, housing element streamlined review, and default density ranges.*

### **STRATEGIC PLAN:**

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

### **BACKGROUND:**

At its first meeting, held on October 23, 2013, the RHNA and Housing Element Reform Subcommittee ("Subcommittee") reviewed a matrix of topics on RHNA and housing element reform. Glen Campora, Assistant Deputy Director at HCD, attended the first meeting and provided overall positions on how HCD intends to help address these reform needs. Mr. Campora will provide a status update on the next steps by HCD to address the respective RHNA and housing element reform, as discussed during the October 23 meeting:

1. Margin between HCD and Department of Finance (DOF) projections (Topic Matrix Item B4)
2. Exemption on Tribal lands (B3)
3. Housing element streamlined review (B2)
4. Default density ranges (B1, C4, C5, C6)

# REPORT

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**FISCAL IMPACT:**

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

**ATTACHMENTS:**

1. Memorandum from HCD to SCAG staff, dated January 15, 2014



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453



January 15, 2014

**MEMORANDUM****FROM:**

  
Glen A. Campora, Assistant Deputy Director  
Division of Housing Policy Development

**SUBJECT:**

SCAG RHNA-Housing Element Reform Subcommittee

This memorandum provides HCD's status update of particular topics potentially involving the Department for action and further discussion for the 2<sup>nd</sup> meeting of the SCAG RHNA-Housing Element Subcommittee on January 23, 2014,

Item B-1: Default densities.

Status:

Legislation is necessary to modify "optional" default density standards. HCD is supportive of discussing this topic for potential legislative reform, if stakeholders (MPO's, COG's, housing advocates, and developers) desire. HCD expects to begin engaging in legislative reform discussions starting February 2014.

Comments:

Default densities specified in statute are "optional" and deemed appropriate in place of the housing element providing the requisite "analysis" regarding the number of units calculated to accommodate and meet the very-low and low-income RHNA shares. When providing the analysis, it must demonstrate how adopted densities can accommodate housing for the lower income categories.

A jurisdiction can adopt a density range to meet default density standards. HCD does not require a jurisdiction to adopt default densities and does not require a density range to "start" at the default density standard. The jurisdiction's density range only has to allow the applicable default density standard (20 or 30 units per acre for SCAG jurisdictions) within the density range. For example, the optional 30-unit default density standard could be met by a density range allowing 25-30+ units per acre.

Item B-2: HCD housing element streamline review.

Status:

HCD will continue the new 5<sup>th</sup> cycle streamline review policy for COGs to prepare housing need data for HCD approval and jurisdiction use.

Comments:

For future update cycles, other components of streamline review such as the completeness review and expediting the element update and review processes will be considered based on stakeholder input and evaluation of jurisdiction procedures and implementation.

Item B-3: RHNA tribal population adjustment.

Status:

HCD will discuss with stakeholders after completing all 5<sup>th</sup> cycle RHNA Determinations by mid-February 2014. HCD anticipates applying a tribal adjustment to future RHNAs.

Comments:

For the 5<sup>th</sup> cycle, HCD allowed SCAG a tribal adjustment. HCD did not allow a tribal adjustment for the 4<sup>th</sup> cycle. For the 3<sup>rd</sup> cycle, HCD allowed a tribal adjustment.

Item B-4: 3% threshold requirements applicable to (1) population and (2) population growth projection differences between DOF or COG and HCD use of DOF and COG projections

Status:

HCD will discuss with stakeholders after completing all 5<sup>th</sup> cycle RHNA Determinations. HCD is supportive of legislative change to only specify one threshold requirement. A technical change may be able to be included in a 2014 Omnibus Bill or another legislative bill.

Comments:

Calculation results can vary with one criterion reflecting a difference of less than 3 percent and the other criterion reflecting a difference of more than 3 percent..

Item B-6: COG-Jurisdiction RHNA appeal process and undefined statutory reference to "change in circumstance"

Status:

HCD desires to be kept informed of COG-Jurisdiction discussions.

Comments:

HCD is particularly interested in circumstance changes outside a jurisdiction's control (such as from a federal/state mandate, environmental, or private industry circumstance change) that could impact housing demand and/or a jurisdiction's ability to meet its RHNA.

Item B-8: Zoning implementation timeframes

Status:

HCD cannot administratively change or extend statutory timeframes. Legislative changes are necessary.

Comments

Past legislative changes have been made to provide more specificity regarding particular timeframes. HCD reviews have not noted jurisdictions having difficulty meeting timeframes when efforts get underway early in the planning period. Existing provisions specify extension criteria for particular timeframes.

Item B-10: RHNA credit for mixed-use.

Status:

HCD encourages jurisdictions to contact HCD for technical assistance as existing law allows RHNA credit for mixed-use.

Comments:

Rezone requirements to address RHNA shortfall when the land inventory of sites cannot accommodate all of the RHNA allow jurisdictions to count up to half of the shortfall on sites that allow a mix of uses.

Item B-11: Housing element requirements regarding transitional and supportive housing.

Status:

HCD encourages jurisdictions to contact HCD staff for technical assistance.

Comments:

Transitional and supportive housing must be allowed in all zones allowing a residential use. These housing types can be treated similarly to comparable housing types including, but not limited to, multifamily and residential care facilities.

# REPORT

**DATE:** January 23, 2014

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

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

**SUBJECT:** Issues and Recommendations Relating to RHNA and Housing Element Reform

## **EXECUTIVE DIRECTOR'S APPROVAL:**

### **RECOMMENDED ACTION:**

Review and recommend the following actions regarding RHNA and housing element reform, including the California Department of Housing and Community Development (HCD) administrative updates and legislative technical amendment, for further review and approval by the Community, Economic and Human Development (CEHD) Committee:

1. Explore feasibility of having RHNA Subcommittee meetings webcasted live during the 6th cycle RHNA process.
2. To maximize effective participation in the RHNA process, include in the Subcommittee's overall recommendations a statement that SCAG staff will continue to notify planning directors, city managers, and other stakeholders of RHNA-related material and meetings, including having a designated point of contact similar to the local input communication protocol established for the 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) process.
3. Include in the Subcommittee's overall recommendations a statement that SCAG will continue to make funding available for jurisdictions that accept RHNA delegation, based on available resources and policy discussions of the Subcommittee, CEHD, and Regional Council.
4. Continue dialogue and seek official confirmation with HCD on the issue of exclusion of Tribal land growth from regional RHNA allocations.
5. Continue dialogue and collaborate with HCD and the Legislature's committee staff to explore whether the 2014 Omnibus Bill can include a technical correction to existing law. Existing law references two threshold criteria regarding COG-DOF projection differences with one criterion referencing 3% population difference and the other criterion referencing 3% population growth difference. SCAG prefers only the 3% allowable difference in population projections during the regional determination process be applied to the total population.

Note, all recommendations, with the exception of #5, will be presented in a final report to the CEHD Committee after the conclusion of the Subcommittee's work (anticipated to be summer 2014). Due to its time sensitive nature, recommendation #5 would be presented to CEHD in March 2014.

### **EXECUTIVE SUMMARY:**

*During the 5th Cycle RHNA process, a number of issues were raised pertaining to SCAG-related administrative issues pertaining to the RHNA process and the RHNA regional determination process itself. These issues include teleconference participation, communication with local planning directors,*

*funding availability for subregional delegation, growth on Tribal lands, and the application of allowable difference between population projections during the RHNA regional determination process.*

## **STRATEGIC PLAN:**

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

## **BACKGROUND:**

At its first meeting, held on October 23, 2013, the RHNA and Housing Element Reform Subcommittee (“Subcommittee”) reviewed a matrix of topics for discussion and possible action for RHNA and housing element reform. The purpose of the Subcommittee is to discuss concerns raised during the 5<sup>th</sup> RHNA cycle process and provide guidance to SCAG staff on these issues. The concerns were raised by a variety of stakeholders, including Subcommittee members, jurisdictions, other interested groups, as well as some identified by SCAG staff.

To allow for focused discussions and meeting efficiency, the Subcommittee approved its meeting schedule by topic area. The focus of the second meeting of the Subcommittee is on the following SCAG-related administrative topics pertaining to the RHNA process and the RHNA regional determination process.

1. Teleconferencing;
2. Communication with planning directors;
3. Funding for RHNA delegation
4. Growth on Tribal lands; and
5. Margin between SCAG and Department of Finance (DOF) projections.

### **(1) Teleconferencing**

*RHNA and Housing Element Reform Matrix (Item A5):*

It has been suggested that SCAG should utilize teleconference technology to allow for participation of non-Subcommittee members.

Background:

The RHNA Subcommittee convened its first meeting in February 2011 to guide the policy and process of the 5<sup>th</sup> RHNA cycle. Most meetings were held in the downtown Los Angeles SCAG office with videoconferencing available at SCAG satellite offices. Teleconferencing was also available for the Subcommittee members as permitted under the Brown Act. All Subcommittee meeting locations, whether Subcommittee members participated in person, or by videoconference or teleconference, were noticed on the meeting agenda and open to the public. The suggestion, however, is to also permit non-Subcommittee members (for example, staff representatives for SCAG member jurisdictions) to participate by teleconference from remote locations.

The Brown Act requires that each teleconference location be listed on the agenda at least 72 hours prior to the regular meeting. All meeting locations must also be open and fully accessible to the public who wish to attend the meeting from that location. Because of these requirements, teleconferencing is available

primarily to members of the legislative body. Most meetings of the Subcommittee allowed for videoconferencing and teleconferencing and it was at the discretion of the Subcommittee Chair as to whether remote participation by teleconference would be allowed (for example, teleconference participation was not provided for the RHNA Appeal hearings held in July 2012).

Staff recognizes that there is great amount of interest in the RHNA process and that that stakeholders such as the staff of member jurisdictions seek more ways to participate in the process. However, given the requirements of the Brown Act, staff recommends that teleconferencing from remote location continue to be limited only to Subcommittee members. Nevertheless, SCAG staff will explore other ways to make the meetings more accessible, such as a live webcast of the Subcommittee meetings, which would allow individuals to watch the meeting in real time. Due to limited staff and equipment resources, there might be a cost associated with providing this service.

**Recommendation:**

Explore feasibility of having RHNA Subcommittee meetings webcasted live during the 6th cycle RHNA process.

## **(2) Communication with Planning Directors**

*RHNA and Housing Element Reform Matrix (Item A10):*

SCAG staff should communicate directly to the Planning Department (or equivalent) or more specifically to the Planning Director or assigned point-of-contact for the RHNA process.

**Background:**

Local input was an integral part of the RHNA process. The process to gather data on projected population, household, and employment growth depended on survey input provided by local jurisdictions and was part of a two-year process that concluded in 2011. Public notices and other mass correspondence relating to the 5<sup>th</sup> cycle RHNA were provided by U.S. mail or email to planning directors, in addition to city managers/county administrators, and other stakeholders. However, on occasion, there have been city or county staff turnovers, which resulted in incomplete information provided to SCAG staff.

**Recommendation:**

To maximize effective participation in the RHNA process, include in the Subcommittee's overall recommendations a statement that SCAG staff will continue to notify planning directors, city managers/county administrators, and other stakeholders of RHNA-related material and meetings including having a designated point of contact similar to the local input communication protocol established for the 2016 RTP/SCS process.

## **(3) Funding for RHNA Delegation**

*RHNA and Housing Element Reform Matrix (Item A3):*

Identify adequate funding sources for counties to distribute RHNA numbers internally rather than rely on SCAG to conduct that process.

**Background:**

Government Code Section 65584.03 allows for jurisdictions to participate in subregional delegation during the RHNA process. Jurisdictions acting as a subregion would be provided a subregional determination by

SCAG, after which the self-designated subregion would be able to develop its own methodology, distribute its own allocations internally, and conduct its own revision request and appeals processes. Under this provision, two or more jurisdictions that are geographically contiguous could form a subregion. Funding sources were made available during the RHNA process from the SCAG General Fund to jurisdictions choosing to accept RHNA delegation during the 4<sup>th</sup> and 5<sup>th</sup> RHNA cycles.

**Recommendation:**

Include in the Subcommittee’s overall recommendations a statement that SCAG will continue to make funding available for jurisdictions that accept RHNA delegation, based on available resources and policy discussions of the Subcommittee, CEHD, and Regional Council.

**(4) Growth on Tribal Lands**

*RHNA and Housing Element Reform Matrix (Item B3):*

Projected Growth on Tribal lands should be excluded from jurisdictional RHNA allocation.

**Background:**

Per State housing law, jurisdictions are required to accommodate for projected household growth through a sites and zoning analysis in their respective housing elements. Because Tribal lands are sovereign nations, a jurisdiction cannot include Tribal lands in the housing element update as part of its sites and zoning requirement, even if a portion of household growth is generated by those areas. However, State law does not address requirements to address Tribal land growth.

In a letter dated August 17, 2011, HCD determined that growth from Tribal lands should be excluded for the 5<sup>th</sup> RHNA cycle. The exclusion of Tribal land growth from the 5<sup>th</sup> cycle regional determination was supported by local jurisdictions, several subregions, and several Tribal governments.

**Initial HCD Response:**

Because accommodation or exclusion of future housing need generated by Tribal lands is not currently specified in state housing law and is subject to HCD determination, a formal HCD policy specifying exclusion is recommended. At the October 23, 2013 Subcommittee meeting, HCD staff concurred with SCAG staff’s initial recommendation of Tribal land growth exclusion from RHNA allocations, and specifically, from the regional need determination by HCD.

**Recommendation:**

Continue dialogue and seek official confirmation with HCD on the issue of exclusion of Tribal land growth from regional RHNA allocations.

**(5) Margin between SCAG and DOF Projections**

*RHNA and Housing Element Reform Matrix (Item B4):*

The 3% allowable difference between the DOF and Council of Governments (COG) population projection during the HCD and COG consultation process should be applied to the total population rather than the growth.

# REPORT

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## Background:

Under State housing law, HCD provides a COG such as SCAG the regional determination allocation for the RHNA projection period. The process involves consultation with the COG and HCD basing its determination on DOF's population projections and the COG's long-range transportation plan population projections. Per Government Code Section 65584.01(b), if the total regional population forecast developed by the COG is within a range of 3% of the total regional population forecast developed by DOF for the same planning period, then the COG's population forecast will be the basis from which HCD determines the existing and projected need for housing in the region.

Confusion arose during the 5<sup>th</sup> cycle determination process as to whether the 3% difference applied to the total population figure or to the growth in population.

## Initial HCD Response:

At the October 23, 2013 Subcommittee meeting, HCD staff concurred with SCAG staff's initial recommendation to apply the 3% difference to total population. HCD staff stated that the 3% difference applied to the total population is reasonable and because it is a minor issue, this clarification may be able to be included in a 2014 legislative Omnibus Bill.

## Recommendation:

Continue dialogue and collaborate with HCD to ensure that their annual technical state law amendment includes that the 3% allowable difference in population projections during the regional determination process be applied to the total population.

Due to the time sensitive nature of a technical amendment in 2014, all action will need to be completed by early 2014. Thus, this particular action will be completed prior to the final report of the Subcommittee anticipated in August 2014. Additionally, as a legislative change, this item will also be presented to the Legislative/Communications and Membership Committee (LCMC) for action after CEHD action and before Regional Council action.

## **FISCAL IMPACT:**

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

## **ATTACHMENTS:**

None