



**ASSOCIATION of GOVERNMENTS**

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April 11, 2007

Legislative Counsel of California Diane F. Boyer-Vine  
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Sacramento, CA 95814

Secretary of the Senate Gregory Schmidt  
State Capitol Building, Room 3044  
Sacramento, CA 95814

Chief Clerk of the Assembly E. Dotson Wilson  
State Capitol Building, Room 3196  
Sacramento, CA 95814

**RE: PROGRESS REPORT ON HOUSING ALLOCATION PLAN**

Dear Legislative Counsel Boyer-Vine, Secretary of the Senate Schmidt and Chief Clerk Wilson:

Pursuant to Senate Bill 12, which was signed by Governor Schwarzenegger yesterday, the Southern California Association of Governments (SCAG) is submitting the enclosed report on SCAG's progress on completing the final need housing allocation plan.

Sincerely,

*Yvonne B. Burke*  
**YVONNE B. BURKE**  
President

Supervisor, County of Los Angeles

enclosure

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**Orange County Transportation Authority:** Art Brown, Buena Park

**Riverside County Transportation Commission:** Robin Lowe, Hemet

**Ventura County Transportation Commission:** Keith Millhouse, Moorpark

# **Regional Housing Needs Assessment**

## **SB 12 Pilot Program Status Report**

### **By the Southern California Association of Governments**

#### **Report to the California Legislature**

The Southern California Association of Governments (SCAG) submits this progress reports relating to its efforts in preparing Regional Housing Needs Assessment (RHNA) pursuant to the provisions of Senate Bill 12 (SB 12), which was recently signed by the Governor on April 10, 2007. SCAG's Regional Council, on April 5, 2007, has reviewed and approved this report, and authorized its submittal to the California Legislature.

#### **Adoption of Final Allocation Methodology and Approval of Draft RHNA**

On February 1, 2007, SCAG's Regional Council approved an Existing Housing Needs Statement for the SCAG region, adopted the final allocation methodology and approved the Draft Housing Need Allocation Plan, or Draft RHNA, for the 2006 to 2014 planning period. The Draft RHNA proposed a total future construction need of 707,000 units and identified existing housing needs in all 187 cities and 6 counties in the region for the planning period. The determination of regional housing need is consistent with the statutory objectives of SB 12 and the SCAG Integrated Growth Forecast for transportation planning. In addition, the range of future housing need determined by the State Department of Housing and Urban Development (HCD) as the SCAG region's share of statewide housing need, as set forth in letter from HCD letter dated November 30, 2006, is 687,000 to 737,000 housing units for the 2006 to 2014 planning period. SCAG's Draft RHNA is within this range, and SCAG will maintain its regional total need throughout the RHNA process.

SCAG's adopted allocation methodology is consistent with the specified objectives in SB 12 , and includes the incorporation of the AB 2158 factors such as "a determination of the

availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities.” Each jurisdiction in the region has also received a share of future housing need including an allocation of housing units for low and very-low income households that promotes socio-economic equity within each county and across the region. This was achieved through a fair share policy adopted by SCAG’s Regional Council which assigns a 110% adjustment of each local government’s very-low, low, moderate and above-moderate income group allocations to the countywide income distribution based on the latest census information. This was supplemented by the Existing Housing Needs Statement providing each local government with information on households with housing problems, such as cost burden and overcrowding by income group and data on special housing needs related to the preservation of assisted housing at risk of conversion to market rate, and information on farm worker housing needs.

#### **Development of the Draft RHNA**

The existing and projected housing need for the region was based on SCAG’s Integrated Growth Forecast and included the major forecast variables outlined in SB 12. In accordance with statutory requirements, this information was transmitted to HCD for their review and evaluation. Following consultation with SCAG, HCD issued a range of future construction need described above to be used in preparing the RHNA for this fourth revision cycle of housing elements in the SCAG region. Key actions and dates with respect to obtaining local input and review by the public leading up to the Draft RHNA included the following:

1. September 28, 2006: This was the date of the first RHNA public hearing whereby SCAG provided an overview of the Integrated Growth Forecast and the RHNA process;
2. September 2006 – February 2007: SCAG’s Regional Council ratified the formation of a RHNA Subcommittee to consider and make policy recommendations relating to the Integrated Growth Forecast and the allocation

methodology. SCAG's Community, Economic and Human Development (CEHD) Committee and Regional Council considered and approved all policy recommendations by the RHNA Subcommittee, including the following:

- Consideration of AB 2158 planning factors in determining and distributing future housing need;
  - Fair Share and Social Equity Policy to avoid over concentration of households by income group, by way of a 110% of the way adjustment toward the county median income distribution and a 3.5% ideal "healthy" market vacancy adjustment applied against future growth except in impacted communities providing a disproportionately high share of lower income housing;
3. October – January 2007: SCAG staff completed 15 subregional workshops, one more than required under SB 12, regarding the Integrated Growth Forecast and RHNA process. These interactive workshops included a review of SCAG's preliminary forecast information, an exercise to gather information regarding local planning considerations on AB 2158 forms for use in determining housing need assignments and growth share between cities and unincorporated areas, and discussions relating to long range housing supply and growth test scenario going out to 2035.
- AB 2158 planning factor forms were filled out by 91 cities and 4 counties during the 15 subregional workshops, while every jurisdiction received an advanced subregional workshop packet and maps prior to the scheduled session;
  - 160 sets of comments were filed on the long range test scenario for 2035 growth and housing supply;
  - Formal and informal Draft RHNA comments were received and reviewed, including 20 comments after the first public hearing, 78 letters and emails

- received after subregional workshops and 35 comments submitted during the RHNA comment period at the end of each subregional workshop;
- Follow-up meetings were held with 15 local subregions/jurisdictions subsequent to the subregional workshops.
4. January 11, 2007: SCAG conducted a second RHNA public hearing to receive comments regarding proposed allocation methodology, including consideration of the AB 2158 planning factors in determining the Draft RHNA.

As a result of subregional collaboration during the workshop process, the Final Allocation Methodology and Draft Housing Need Allocation Plan reflect the following requests from SCAG's subregional partners:

- Incorporation of the Orange County projection (OCP 06) prepared by CSU-Fullerton Center for Demographic Research (CDR) for Orange County and all its local jurisdictions, adopted by Orange County Council of Governments (OCCOG) Board of Directors on November 30, 2006.
- Incorporation of the Riverside County projections prepared by Riverside County Transportation and Land Management Agency, adopted by Western Riverside Council of Governments (WRCOG) Executive Committee on December 4, 2006, and by Coachella Valley Association of Governments (CVAG) Technical Planning Subcommittee on December 19, 2006.
- Incorporation of the RHNA Plan for Ventura County, prepared jointly by county/city Planning Directors and City Managers, adopted by the Ventura County Council of Governments (VCOG) Board of Directors on January 9, 2007.
- Incorporation of the collective input provided by the San Bernardino Associated Governments (SANBAG) regarding the county totals.

- Incorporation of the collective input provided and coordinated through the Imperial Valley Associated Governments (IVAG).
- Evaluation and incorporation, where appropriate, input received individually from local jurisdictions in Los Angeles County.

In mid-January, SCAG's forecasting staff and its consultant team reviewed the information/input received from the workshops and conducted the second Integrated Growth Forecast/RHNA hearing to discuss the proposed allocation methodology, and further facilitate public participation. Staff scheduled additional meetings with local jurisdictions to discuss their concerns. Before the release of the Draft RHNA, staff met individually with over 15 local jurisdictions and subregions to discuss any issues and concerns. Additionally, staff followed up with each of the 30 cities that did not participate in the subregional workshops, making personal phone calls and mailing a packet with all the information (e.g. presentations, data, maps, and relevant links) provided at the workshop.

A disc containing the Draft RHNA was mailed to every City Manager and County Administrative Officer in the SCAG Region. Letters were also sent in response to 68 local governments related to their comments on the proposed allocation methodology, the application of the AB 2158 planning factors and other planning considerations. The Regional Housing Needs Assessment web pages have also been overhauled to make them easier to navigate, while also highlighting important topics for local governments. <http://www.scag.ca.gov/Housing/rhna/index.htm>.

### **Revision Requests and Appeals relating to the Draft RHNA**

The RHNA filing period for jurisdictions to submit revision requests and/or appeals with SCAG began on February 15, 2007 and ended on March 16, 2007. SCAG received 24 appeals, 5 revision requests and 19 combined appeal and revision requests. The Ventura County Council of Governments, the South Bay Cities Council of Governments and a

subregional entity comprising the cities of Los Angeles and San Fernando have accepted delegation and will be addressing any applicable revisions requests and appeals.

SCAG's Regional Council also established a RHNA Appeals Board to consider and make final decisions regarding the revision requests and appeals. All jurisdictions were sent a notification of public hearing dates and times. SCAG staff will provide recommendations to the Appeal Board, and hearings will be held between April 25<sup>th</sup> and 30<sup>th</sup>. On May 10, 2007, the RHNA Appeals Board will make final determinations on all revision requests and appeals and alternative distribution requests.

Using the RHNA Appeal Board's findings, SCAG will then begin preparing final RHNA allocation. The final RHNA shall also address any successful appeals which will trigger a proportional reallocation process based upon future construction need. This planning, public outreach and deliberative process follows the steps and requirements called for in SB 12. The Final RHNA shall be consistent with the Integrated Growth Forecast used for SCAG transportation planning and the regional total for construction need, by income category, shall be maintained within the State HCD approved range.

### **Next Steps**

The SCAG Regional Council will consider a proposed final allocation plan at its June 7, 2007 meeting. On July 5<sup>th</sup>, SCAG will hold a public hearing to adopt the final housing need allocation plan. The following day, July 6, 2007, SCAG plans to submit its final housing need allocation plan to HCD. This will mark the end of SCAG's RHNA planning process for this cycle. A timeline illustrating SCAG's adoption schedule, which is consistent with the requirements of SB 12 legislation and existing housing law, is attached below.

**SCAG RHNA Timeline: February 2007 – June 2008**

Date	Action
February 1	CEHD and RC approves final integrated forecast with 4 variables and final RHNA methodology and adopts draft RHNA allocation plan.
February 15	Start of the 30-day period for local jurisdiction to request revision and/or to file appeal.
March 16	Last day for jurisdictions to request revision based on AB 2158 factors and/or file appeal based on AB 2158 factors, methodology, or changed circumstances.
March 26	Deadline for SCAG to notify jurisdictions of a public hearing for their appeal (within 10 days of end of filing period).
March 30	Submit status report to state pursuant to Pilot Program.
April 25 – 30	Public hearings before RHNA Appeals Board held for appealing jurisdictions, and possibly for jurisdictions requesting revision. The hearings will be held between the 30th and 35th days from the date of SCAG's notification.
May 10	End of the appeals process with decisions by Appeals Board rendered on all revision requests and appeals; staff to begin preparing final RHNA allocation. Alternative distribution and transfers may occur until SCAG adopts a final housing need allocation plan.

Date	Action
June 5	SCAG notifies jurisdictions 30 days in advance of the public hearing for the final adoption of the final RHNA allocation.
June 7	SCAG issues a proposed final allocation plan based on appeals and input received. This must occur within 45 days of the end of the appeals filing and hearing process, so the last day technically is June 18.
July 5	SCAG holds a public hearing to adopt the final housing need allocation plan. This must occur within 45 days of issuance of the proposed final allocation plan.
July 6	SCAG submits its final housing need allocation plan to HCD.
September 4	Deadline for final adoption of the Housing Allocation Plan by HCD.
June 30, 2008 (statutory)	Due date for jurisdictions in the SCAG Region to submit revised Housing Elements to HCD.